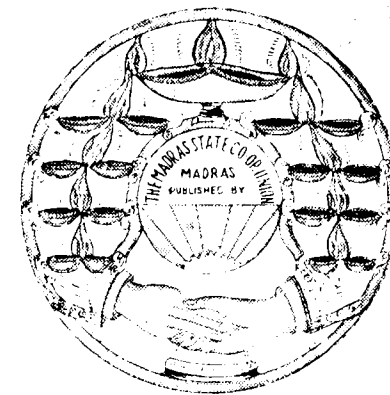


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Journal of Co-operation



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THE

# Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

DECEMBER 1953

No. 6, Vol. XLV

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## Thought for the Month

### The Role of the Government

The problem of governmental aid to co-operatives in general needs further elucidation. In countries of Western Europe like the Netherlands, Denmark and Sweden, the movement has developed independently of state help. It is a force that derives its energy from the masses who are conscious of the numerous benefits they get out of the co-operative stores. In India and in the whole of the East generally, it would be true to say that the co-operative movement stands with the crutch of state aid. The low income per capita, the universal illiteracy of the masses and the inadequate amount of opportunities for making an economic living either because of the lack of technical know-how or defective organisation necessitated an actively sympathetic attitude of the governments. In India, too, the Government extended its help to the movement, both financially and technically. It is true that the movement is gradually establishing itself; nevertheless in the field of consumers' co-operation a protective attitude against the private retailer would prove a great stabilizing factor. Even a neutral policy would be harmful to the movement.

SRI S. K. SAXENA,

*Review of International Co-operation.*

## Editorial Notes

### Bifurcation of the Madras State Co-operative Union:

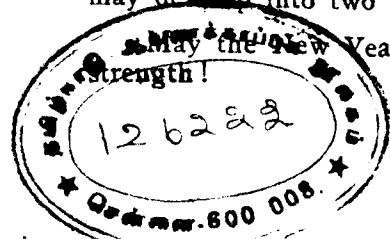
Our readers are aware of the bifurcation of three of the Apex Co-operative Institutions of Madras which took place in September 1953—the State Co-operative Bank, the Central Co-operative Land Mortgage Bank and the State Handloom Weavers' Co-operative Society. Now another link in this massive chain of the Co-operative Movement in the State—the Madras State Co-operative Union—has been smelted and cast into two separate institutions—the (Residuary) Madras State Co-operative Union and the Andhra State Co-operative Union.

The bifurcation of the State Co-operative Union was effected at the General Body Meeting of the Union held in Madras on 13-12-53. The way the bifurcation was effected was very significant. The members assembled were not all too eager for bifurcation. The President in his opening speech at the General Body meeting indicated his personal opinion on the bifurcation issue. He said that personally he felt that there was no need to split this Co-operative Propaganda institution since as a composite unit it might be able to serve the Movement better. Secondly after appreciating the co-operation given by the General Secretary and the Staff of the Union, he said that if bifurcation was accomplished both the State Unions should endeavour to develop on the lines of the parent institution so that the loss caused by the split might be compensated eventually. Finally he expressed that with a heavy heart he was taking leave of his friends and colleagues in the South whose kindness and co-operation he would always cherish.

Great sentiments were expressed by the members on the occasion, both from the South and the North, every speaker making reference to the mutual understanding and good will that prevailed among the members of the composite Union. It was however decided that for administrative reasons bifurcation was desirable, and so it came to pass.

The bifurcation is to take effect from the New Year's Day of 1954. It is unfortunate that there should be the bifurcation of a strong and well-built State Union which has for some years been the centre of attraction of Co-operators from far and wide. For a time both the State Unions must each continue to be weaker than the composite State Union. We must, however, hope that the future augurs well for both the institutions; for both have seasoned workers and considerable resources. We are confident that these factors will give the Unions a good start so that eventually they may develop into two gigantic institutions.

May the New Year carry the two Unions from strength to strength!



## EDITORIAL NOTES

### The Parable of the Hermit Retold:

In his Welcome Address to Mr. and Mrs. Chester C. Davis, published elsewhere in this issue, Sri K. N. Sivam, President of the Madras Co-operative Milk Supply Union made an interesting reference to the old Parable of the Hermit. He said that like the hermit in the fable, who, in order to protect his loin cloth against the attacks of the rat, had to rear a cat, a cow to provide milk for the cat and the necessary staff and lands to look after and to pasture the cow, the Milk Supply Union whose purpose is to provide a subsidiary income to the villagers by finding a sale for his milk, has entangled itself in all the paraphernalia of the modern world. The last item of this "paraphernalia" is the installation of a consumers' petrol bunk in the Union's premises.

The activities of the Madras Co-operative Milk Supply Union only typify the efforts of the Co-operative Movement. The Movement is meant to protect the common man and his interests—be he a producer or a consumer. It is also meant to endow him with all the strength and solidarity of his co-operative brotherhood, without impairing his individuality. Economies, both internal and external, are in the main the secret of the success of private enterprise; and co-operative enterprise must needs adopt this policy if it should succeed in meeting private enterprise on its own ground. This the Madras Co-operative Milk Supply Union has largely succeeded in demonstrating. It is able to draw milk from over 150 villages around the city of Madras, offering a fair price to the producers, and supply it to thousands of families in the city under hygienic conditions at a fair price. The Union must be congratulated on having boldly entangled itself in "all the paraphernalia of the modern world", if only to save the helpless individual rural milk producer.

The Milk Supply Union's paraphernalia is however, not complete. The problem of the surplus milk of the Union is still as keen as ever; often the surplus is as much as 2,000 lbs. of milk and the conversion of this milk into *khova*, fresh butter and so on has helped the solution of the problem only to a limited extent. The Union is therefore obliged either to restrict supplies from the feeder societies or to incur heavy loss from unsold milk. The first course is prone to shake the confidence of the members in their Union, while the second would eventually sap the resources of the entire organisation. A stage has therefore been reached when the Union should seriously consider the problem of disposal of surplus milk without causing loss to itself or to its members. We learn that the President had been for some time past considering the feasibility of converting the surplus milk into whole milk powder. His idea is appreciable but there are practical considerations. Two factors have to be considered in carrying out this idea into action. First the finance for the whole milk powder plant. The plant is costly and the Union is unable to meet the cost from out of its funds. The Union therefore

proposes to obtain a gift from the Ford Foundation and has therefore appealed to Mr. Chester C. Davis to use his good offices and obtain favourable response to the Union's request from the Ford Foundation. Considering that this Union is the largest Milk Co-operative in the Country and is of real benefit to the poor milk producer, the appeal of the Union richly deserves favourable consideration. A gift from the Ford Foundation to the Union will undoubtedly be a significant gesture of America's deep interest in the Indian Rural Producer.

The second factor to be considered is the possibility of economic employment of the machinery installed. The surplus milk problem is keen only during the winter months, the dry season being one of the difficulty in obtaining adequate milk supplies even for regular customers. Therefore even while the Union is endeavouring to obtain a whole milk powder plant, it should explore the possibilities of expanding its milk supply sources so that its surplus milk supply may not fall short of the minimum needed to work the plant economically. This involves a revision of the Union's milk procurement scheme, by providing for expansion of the area of operations, expansion of the membership and improvement of cattle so that the period of lactation may be fairly long. Judging from the record of work of the Madras Milk Supply Union, we have little doubt that the Union can rise to the needs of the occasion.

We earnestly hope that this scheme of the Union will materialise in the near future.

#### Celebrate the Golden Jubilee of the Co-operative Movement:

Jubilees are significant occasions in as much as they indicate the successful progress and serviceful life of institutions and Movements over a quarter or a half century. But unfortunately it has been given to very few movements in our country to register enough progress and life to merit the celebration even of Silver Jubilee. It is the proud privilege of the Co-operative Movement in India to have lived long enough and usefully enough to merit a Golden Jubilee. The Co-operative Movement was started in the country in March 1904 when the first Co-operative Societies Act was passed and will complete a half century of life on the 25th March 1954. The Movement, throughout this period has been a great succour to the poor man, the man of small means and in its endeavour to protect him, suffered considerable set backs at times. But on account of its intrinsic worth and inherent vitality it weathered through troublous times and situations and has now made itself a potent force in the socio-economic life of the country. In old Madras State alone for instance the Movement covered over 65 per cent of the villages and over 20 per cent of the population and commanded a working capital of over Rs. 100 crores—an amount far larger than the annual revenues of the Madras Government. Could there be a better occasion than a Golden Jubilee celebration to signify the usefulness of

the Co-operative Movement and the benefit it conferred on the people in the country during the course of half century of its life?

The Golden Jubilee will commence from 25th March 1954. Co-operators and Co-operative Institutions in every part of the State should deem it their sacred duty to celebrate the jubilee with enthusiasm and devotion for some days in accordance with their resources. During the celebrations they should organise processions of Co-operators, competitions, meetings and visual propaganda. They should pay attention to the promotion of thrift and small savings. They should pay special attention to carrying on an organised membership campaign so that the Movement may open a new record of strength during the succeeding years.

One point of vital importance must however be borne in mind during the celebration so that the Movement may open a new chapter of life during the ensuing decades: The Movement, howsoever strong and extensive at present, has characterised itself in public estimate as one sponsored by Government and developed by Government. Of course during recent years there has been an indication of the popular zeal to democratise the Movement but it is not clear and pronounced. This lack of a definitely democratic and popular bias in the Movement at present constitutes the main draw back of the Movement in its effort to expand on sound and healthy lines. It should be the endeavour of every Co-operator who participates in the Golden Jubilee to see that the democratic bias is emphasised and imparted to the Movement.

It is earnestly hoped that the Co-operators and the Co-operative institutions in the State bestow serious attention on this matter and help give a new strength to the Movement. The Five Year Plan has laid high hopes on Co-operation in Nation Building. Here is an opportunity to carry home to the mind of the masses the message of Co-operation. Co-operators, rise to the occasion and put your shoulder to the wheel of national progress.

**The George Town Co-operative Bank, Ltd., No. 8512**  
29, Krishnappa Naicken Agraharam Street, G. T. Madras  
(REGISTERED IN 1928.)

All Banking facilities are afforded to Members and Constituents of the 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.

**Rao Bahadur Shri A. Vedachalam Iyer,  
Retired Registrar of Co-operative Societies, Madras.**

**SRI M. S. SESHACHALAM IYER,**  
*Secretary, Tiruvannamalai Co-operative Urban Bank, Ltd.*

Sri Vedachalier was born in the year 1866 in Anakkavoor village near Tiruvathipuram, Cheyyar Taluk, North Arcot District and he was a graduate of the Madras Christian College. He entered the Revenue Department and became a Deputy Collector. He was serving as Deputy Collector in Salem and then in Usilampatti, when he was called on to serve as Assistant Registrar of Co-operative Societies in 1913. In those times Co-operation was directly under the Board of Revenue and only trained and experienced Deputy Collectors were selected to serve as Assistant Registrar. Diwan Bahadur L. D. Swamikannu Pillai was the Registrar. In the 111rd Madras Co-operative Conference held in the Pachiappa's College, China Bazaar Road, in 1912 Sri Vedachalier made his first appearance in the Conference as Assistant Registrar and he was shown to me as a new entrant to the Co-operative Department and that he was a green chilly as Deputy Collector; and as soon as he entered, he took up investigation of a misappropriation case in Tharamangalam Co-operative Society in Salem. Tharamangalam case is the first prosecution in Co-operative Movement in Madras State and it ended in conviction. It was thought to be ill-advised and would scare away big men from the field. But we have thousands of Tharamangalams nowadays.

Sri Vedachalier was appointed Assistant Registrar of Co-operative Societies for Vellore circle comprising Vellore, Salem and Tiruchirapalli. During that time he organised the Co-operative Central Bank, Vellore and started it. He started Supervising Unions in all Taluk Centres and also started the District Council of Supervision, a Federation of Supervising Unions with statutory powers of supervision of societies in the District. Similar District Councils were started in Salem and Tiruchirapalli. In order to encourage joint purchase and joint sale in village societies he ventured to adopt a system of Trading Unions in all Taluk Headquarters. By this system each rural society will give a bond for Rs. 500 in favour of the Trading Union and the total amount will be available to the Trading Union for bulk purchase of articles of consumption and cattle food for supply to societies within their credit and they in turn to distribute the same for short-term loans to their members. This system was approved by the then Registrar, Mr. F. R. Hemmingway, I.C.S. The system could not be worked successfully, as indent from societies could not be accurate and bulk purchases without proper basis had to be made and the prices of commodities fell down suddenly after the war.

He organised a number of village societies in North Arcot explaining the principles and preparing property statements etc., by himself. The number of societies were small in those days and the loans to societies would be passed by the Assistant Registrar and the Central Banks would disburse them without any objection. He knew even the personnel of

**LATE RAO BAHADUR SHRI A. VEDACHALAM IYER**

each society and the credit worthiness of each member. During his time there was only a limited staff of Inspectors and he was able to watch their daily work. When deofficialisation was prominently urged he suggested the appointment of Honorary Assistant Registrars with the powers of Inspection arbitration, and organisation.

He was appointed as the First Joint Registrar in the year 1919. Then he acted as Registrar in the year 1920 during the absence of Mr. F. R. Hemmingway, I.C.S., the Registrar on medical leave. He was appointed Registrar in 1920 to succeed Mr. Hemmingway and retired as Registrar in the year 1921. He was conferred with the title of Rao Bahadur in 1918.

He was always thinking of schemes to introduce co-operation in all walks of life. He started the Salt loaders Co-operative Society at Basin-Bridge and this society of labourers obtained a contract for loading salt, and he personally attended to it.

He organised the first Scavengers' society at Salem and also paved the way for Kallar Settlement, when he was Deputy Collector at Usilampatti. As First Class Magistrate he had a case of attempted suicide-case of a Brahmin widow with two daughters of 7 and 5 years. He had to convict the widow and brought the two orphans under his own protection. He married them both to the bridegrooms of the sub-caste to which the girls belonged, at his cost and gave a dowry of Rs. 1,000 each. They are still treated as his own daughters.

After his retirement he started a Land Mortgage Bank for Cheyyar and was personally attending to it living at Anakkavoor. He cultivated his lands by improved methods as a model to other cultivators of the locality. He built a Vinayagar temple in front of his house and provided for its worship. He was complaining of weak heart and was feeling uneasy for so sometime. He used to write very lengthy and lucid articles on Co-operative matters. He was an old Co-operator and a Retired Registrar and a pensioner for 32 years, a unique feature of his life. May his Soul rest in Peace!

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

(Estd. 1918)

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

**ALL KINDS OF DEPOSITS ACCEPTED**

**Fixed Deposits :** For 6 months 2½%; For one year 3%  
For 2 years 3½%, For 3 years and above 3¾%

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

*Apply for further particulars to :*

**Medai Dalavoi Kumaraswami Mudaliar,**  
*President.*

**The Madras State Co-operative Union,**  
ESPLANADE, MADRAS.

Supplemental list for March 1953 Co-operative Supervisors  
Examination —December 1953

PASSED IN PART IV :  
(Practical Training)  
**Coimbatore Centre**

| S. No.                    | Name of the Candidate | Regd. No. |
|---------------------------|-----------------------|-----------|
| 1.                        | Natesan, N.           | .. 4956   |
| 2.                        | Krishnan Nair, V.     | ... 4984  |
| 3.                        | Raman Nair, K. V.     | .. 4975   |
| <b>Tanjore Centre</b>     |                       |           |
| 4.                        | Kalia Perumal, P.     | ... 5082  |
| 5.                        | Seetharaman, M. G.    | ... 5204  |
| 6.                        | Sethuraman, R. M.*    | ... 4582  |
| <b>Rajahmundry Centre</b> |                       |           |
| 7.                        | Satyanarayana, K.     | ... 5333  |
| 8.                        | Venkatadri, Ch.       | ... 5361  |
| <b>Anantapur Centre</b>   |                       |           |
| 9.                        | Khader Hussain, N.    | ... 5385  |

*Note:* \*i. Candidate Sri R. M. Sethuraman (Regd. No. 4582) underwent training at the Hood Co-op. Institute during 1951-52 and came out successful at March 1952 examination in Theory only. He now completed his examination by passing the Practical examination also.

ii. The rest eight candidates underwent training at the respective Institutes during 1952-53 and came out successful in Theory only in March 1953 examination. All of them have now completed their examination by passing the Practical Training also.

**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:*  
E. S. VIJAYAGOPAL, B.A., B. COM.  
Secretary.

**The Twenty Fourth Conference of Land  
Mortgage Banks, Madras.**

**4th September 1953.**

**PRESIDENTIAL ADDRESS**

SRI BHOGARAJU VENKATARATNAM,  
*President, The Madras Co-operative Central Land  
Mortgage Bank, Ltd., Madras.*

Hon'ble Sri Sanjeevayya and Brother Co-operators,

It is a matter of great pleasure to me to welcome you on behalf of the Board of Directors of the Madras Co-operative Central Land Mortgage Bank as well as myself to this, the 24th Conference of representatives of Co-operative Land Mortgage Banks. This Conference is particularly significant in that this will be the last time that the representatives of all the primary banks in the composite State of Madras meet, as the proposal to constitute a separate Land Mortgage Bank in the Andhra area has taken shape and will be given effect to shortly. All these years, it has been the practice to convene a Conference of the representatives of primary banks as it provided an opportunity to discuss practical problems arising in the day-to-day working of Land Mortgage Banks and exchange views. It has also been the practice to invite a member of the Government of the day to inaugurate the conference and give us the benefit of his advice. As you are aware, if Land Mortgage Banking in the Madras State has succeeded to the extent it did, it is not a little due to the sympathetic handling of its problems by the Government and their help and assistance in several ways. It is, therefore, our duty to express our grateful thanks to the Government for all the help they have rendered till now. In recent years the Reserve Bank of India have been taking increasing interest in the working of the Co-operative Movement. Their assistance to the Land Mortgage Banking Movement, both in the matter of advice, as well as the practical help they gave in the form of subscription to debentures, has been of great value. At our request Sri B. Venkatappaiah, Executive Director of the Reserve Bank of India inaugurated the last conference of representatives of Land Mortgage Banks and made several valuable suggestions of great significance in shaping the future working of Land Mortgage Banks in the State. The most important of the suggestions made was to concentrate more on the issue of loans for land development purposes, to help increase production so that a good portion of the amount issued at present as loans by Land Mortgage Banks for repayment of prior debts could, with advantage, be utilised for land development purposes, the increased income from the developed land itself providing the necessary funds for repayment of prior debts. He also made

some practical suggestions for the improvement of the technique of Land Mortgage Banking. These suggestions could not however be implemented on account of the impending partition of the State. I have no doubt that after division, the two Land Mortgage Banks would implement the valuable suggestions made by him. I take this opportunity to thank the authorities of the Reserve Bank of India for the help they are rendering to the Land Mortgage Banking system and the keen interest they are evincing in the working of the movement to promote the interests of the agricultural industry.

Notwithstanding the partition of the State and consequent partition of the Madras Co-operative Central Land Mortgage Bank, I hope that brother co-operators from both the State areas will continue to maintain the cordial relationship that has existed all these years and will find a suitable way to help each other with their experience and resources on either side.

In recent years, there has been a large increase in the number and amount of loans disbursed by Land Mortgage Banks in the State. As against 82.26 lakhs and 82.84 lakhs disbursed in the years 1950-51 and 1951-52 respectively, the Madras Co-operative Central Land Mortgage Bank disbursed loans during the year 1952-53 to a total of Rs. 104.53 lakhs. It has been our experience that as Land Mortgage Banks become more and more popular in the countryside and as the people realise the benefits of institutional credit, they take advantage of these institutions in preference to private credit in spite of the searching enquiries made by these banks and also the time involved in finalising the issue of loans. But the question arises whether the increasing popularity of Land Mortgage Banks amongst the agriculturists fully explains for the increase of the amount of loans disbursed by these banks. By far the major portion of the loans disbursed is for refinancing prior debts. There would be justification for increased borrowing by the agriculturists if it is for land development purposes. But if the agriculturists are coming to Land Mortgage Banks for repayment of debts incurred for unproductive purposes in these times of high prices for agricultural produce, the natural doubt arises whether they would be able to repay their debts without difficulty, should there be recession in these prices. Land Mortgage Banks are no doubt safe, so far as their loans are concerned, as the valuation is made on a highly conservative basis. But the question now posed is not, whether the Land Mortgage Banks are safe, but whether it is good for the agriculturists to borrow such heavy amounts at this time. Perhaps the results of the recent All-India Rural Credit Survey conducted by Reserve Bank of India would give us some indication as to whether there is justification for this increased borrowing by agriculturists. At the same time, it appears necessary that Land Mortgage Banks should examine their

loaning policy further so that diversion of funds intended for agriculture to other purposes, like trading or other activities, does not take place. Unlike in the Western Countries, in our country, land is owned, not by the actual cultivator alone. A trader or an industrialist also owns lands and it is very difficult to differentiate between the debts incurred for industrial or trade purposes or for agricultural purposes and it is quite possible that trading or industrial requirements are being financed by Land Mortgage Bank if they apply for loans for repayment of prior debts incurred "for the benefit of the family" which is a conventional expression used invariably in all instruments.

I have had occasion to study to what extent agriculturists in the western countries are borrowing for repayment of prior debts. The report of the Farm Credit Administration in the U.S.A. for 1951-52 mentions that "43 per cent of the loan proceeds of farmers were utilised to refinance farm mortgages, 11 per cent to refinance chattel mortgages, notes and open accounts, 15 per cent to buy farm real estate and 15 per cent for repairs to buildings and for improvements to buildings and land. Loans to purchase farm machinery, live-stock, for general farm operations and all other purposes accounted for the remaining 16 per cent". The Report of the Board of the Land and Agricultural Bank of South Africa for the year ending 30th December 1952 states that during the year 1952, 2,282 loans for £ 3,900,655 were disbursed, of which a sum of £ 250,106 was for improvements, £ 97,468 was for purchase of stock, £ 1,119,705 was for discharge of liabilities and a sum of £ 2,433,337 was disbursed for purchase of land. Even in countries which have large tracts of waste lands to be brought under cultivation, the agriculturists are borrowing more for discharge of prior debts than for land improvement purposes. Purchase of land in these countries where large areas are to be brought under cultivation, of course forms the largest single item. A close study by an economist will give us the proper answer to the questions: (1) Why are the agriculturists borrowing even in these days of high income from agriculture and (2) Can such borrowing be justified. I appeal to the Reserve Bank of India to investigate this aspect of the matter and see how far there is justification for the agriculturists incurring debts at this juncture.

With the hardening of money rates, and the paucity of credit in the countryside, it has become necessary for Co-operative institutions, both long-term and short-term, to help the agricultural industry by providing the necessary finance. There is great demand for funds in the money market. The Central Government, the State Governments, industrial institutions and others requiring capital, are competing with one another for the limited funds available in the market. The State Governments have been issuing 4

per cent Loans of about 11 to 12 years currency, with interest at 4 per cent and at a discount of  $\frac{1}{2}$  per cent. In the face of this, it is naturally difficult for Land Mortgage Banks to attract funds for their 20-year debentures. The last issue made *viz.*, the 48th series was at  $4\frac{1}{2}$  per cent and at a discount of eight annas per cent. Consequently the rate of interest charged to the borrower has been increased to  $6\frac{1}{2}$  per cent. There has been a large increase in the amount of loans disbursed since the last issue of debentures and the Central Land Mortgage Bank (two banks after the organisation of the Andhra Central Land Mortgage Bank) will have to raise a pretty large amount to cover the mortgages on hand. It is difficult to raise large amounts in the market by way of 20 year debentures, especially in view of the fact that the State Government of Madras have practically combed the entire available funds in the countryside by instituting a drive through their officials. The Reserve Bank of India have been helping the Central Land Mortgage Bank by subscribing to its debentures to the extent of 20 per cent of each issue. Having regard to peculiar circumstances of the case just at present, I appeal to the Reserve Bank of India to increase its share of the subscription to these debentures substantially and help in the securing of funds at a reasonable rate of interest.

In the last five or six years, the agricultural conditions in the State have not been normal. Drought conditions have been prevailing for the last five years continuously in a number of districts. There was a cyclone in the southern districts in November last causing extensive damage to agricultural property. The recent Godavari floods have caused immeasurable loss to the agricultural wealth of the East Godavari and two taluks of the West Godavari District. The damage sustained is yet to be estimated and is believed to run to several crores. It is seen from the reports that the river has left sand deposits on some of the lands. The full effect of the flood is not yet known; but it is said that the damage to the lands on account of deposit of sand or silt is indeed heavy and requires a good deal of investment and sustained work to bring back the lands to their normal condition.

The agriculturist of this area will require heavy finance for the purpose and it is also necessary that this should be advanced expeditiously as delay in advancing loans for such a purpose may mean loss of the season for raising the crop. It will mean decreased food production with consequent losses to the country. I hope the Government would draw up a comprehensive scheme for advancing loans in this area for reclamation of the flood affected lands and where they themselves are not advancing the amount, they may help with the necessary staff for investigation and sanction of loans by Land Mortgage Banks.

The Central Land Mortgage Bank appealed to the Government to constitute a Revolving Fund from which Land Mortgage Banks may draw the amounts that could not be recovered due to causes over which the borrower had no control, like drought, flood and cyclone. The idea is, when there is a natural calamity, temporarily disabling the member-borrowers from payment of the instalment on the due date, such cases would be investigated by the Registrar and on his authorisation Land Mortgage Banks should sanction postponement of instalments and draw an amount equal to the postponed amount from the Revolving Fund constituted by the Government. When the postponed instalment is recovered the amount will be paid back into the fund which would entitle the Land Mortgage Banks to draw upon the Fund again for the purpose to the extent of the limit sanctioned by Government. In 1952 due to the continued drought, Government sanctioned a loan of Rs. 5 lakhs to the Central Land Mortgage Bank to enable it to grant postponement of instalments. For a number of reasons postponement could be sanctioned in a few cases only, for an amount of Rs. 50,000. My submission to the Government is that the loan of Rs. 5 lakhs sanctioned, may be treated as a permanent fund on which the Land Mortgage Banks could draw whenever the Government themselves recognise the need for postponement of the instalments and the postponement arises and is approved by the Registrar.

In this connection it is pertinent to examine whether there is any other method by which agriculturists hit hard by natural calamities could be helped. These natural calamities are themselves the cause of much indebtedness of the agriculturist. If a system of Crop Insurance is in force in the State, it would greatly help in reducing the need for borrowing and also help in recovering the instalments due to Land Mortgage Banks.

I appeal to the Government to make a beginning and institute a system of Crop Insurance in respect of one or two crops in selected areas and extend the benefit to other crops and areas by stages. I am aware that Crop Insurance in a country with small holdings and few reliable statistics, bristles with a number of difficulties. But as Crop Insurance will save a number of agriculturists in periods of stress and reduce their indebtedness, the matter has to be examined, with sympathy and courage.

With the increasing demand for long-term loans from agriculturists, the Central Land Mortgage Bank has to face the problem of finding the requisite finance at reasonable rates of interest. The Planning Commission in its report had made a reference to this problem and stated that consolidation of holdings and other schemes for improving the productivity of agriculture by enlarging the size of the unit of cultivation are bound to widen the scope for long-term loans. The Planning Commission

expressed the view that this function can be best discharged by Land Mortgage Banks. The Commission also felt that there is some apprehension that Land Mortgage Banks as a structure for long-term credit may languish for want of funds. The Commission expressed the view that such a position would hardly be in consonance with the objectives of the plan and have, therefore, provided a sum of Rs. 5 crores spread over the next three years for the issue of long-term loans. At the end of the period of the plan, the Planning Commission expected that the amount of long-term loans required by the agriculturists in the whole country would be about Rs. 5 crores per annum. The disbursement of the sum of Rs. 5 crores is closely linked with loans for increasing production. This is as it should be, as with the limited finance available for the agricultural sector, the very best use should be made and production increased. Land Mortgage Banks, however, take some time to sanction loans as they have to satisfy themselves about the title and security for the loan. As this involves time and as the season for effecting improvements should not be missed, the agriculturists prefer to execute the improvement work with borrowed funds and approach the Land Mortgage Banks for the discharge of such debts. This is a practical difficulty and should be provided for. I hope the Reserve Bank of India will give due consideration to this aspect of the matter when requests are made, to make available to the Land Mortgage Banks, funds earmarked for the purpose by the Government of India.

Before I conclude, I wish to refer to an important feature of Land Mortgage Banking. The general impression gathered, seems to be that, as security for the loan is accepted after investigation by a Government Officer, the Directors of Primary Banks do not have much responsibility and on that score suggestions have been made that primary banks are unnecessary middlemen who could, with profit, be dispensed with. This is a wholly erroneous analysis of the case. Primary banks are autonomous institutions and their Directors take the full responsibility on behalf of their Banks for the loans endorsed by them in favour of the Central Land Mortgage Bank. The Government Officers come in for appraising the value of the land as it is proper that Public Officers should weigh the security offered to co-operative institutions whose liabilities are guaranteed by Government. The general conduct, creditworthiness and indebtedness of the party are matters on which, as men on the spot the Directors of the primary banks are best fitted to offer their opinion. After all in a primary bank only a few men of the locality get loans and it is up to the Directors of the primary bank to make diligent enquiries and satisfy themselves that the proper man is being helped. Otherwise, it is possible, heavily indebted persons with decrees and attachments of properties in execution

of decrees might suppress them and seek loans from Land Mortgage Banks and involve them in law suits and even in losses. Where the Court orders attachment of any property in the execution of a decree, there is no method by which the Land Mortgage Bank can be put on notice of that fact, while want of such notice will not avail the bank in answer to an execution resulting in a sale under the attachment. If the attachments by Courts are made registerable and are to become operative only after registration, it will give scope to Land Mortgage Banks to protect their interests. As matters stand at present, there is no such provision and there is always the danger of an unscrupulous borrower mortgaging the properties to the Bank after they have been attached in execution of a decree passed against him which decree has been suppressed while giving a statement of indebtedness. I urge on the Government to consider the matter and pass appropriate orders.

I wish to express my grateful thanks to the Hon'ble Sri Sanjeevayya who so kindly accepted our invitation to inaugurate the Conference. Ever since he took up office as Minister in charge of Co-operation, he has evinced considerable interest in the development of the Co-operative Movement and has been a source of encouragement to Co-operators. I now request him to inaugurate the Conference.

#### INAUGURAL ADDRESS

BY HON'BLE SRI D. SANJEEVAYYA.

*Minister for Co-operation, Govt of Madras*

Gentlemen,

It gives me great pleasure indeed to be able to accept your kind invitation to come here and inaugurate this Conference of Representatives of Land Mortgage Banks. The importance attached by Government to the successful functioning of Co-operative Land Mortgage Banks cannot be over-emphasised, knowing as they do that these Banks are actually devoted to the task of liquidating rural indebtedness and promoting agricultural production in the country. Madras which has the unique honour of leading other States in the Co-operative Movement, still maintains the first rank in this important branch of co-operative enterprise, as the figures furnished by the Reserve Bank of India, show. The State has a well-developed system of Land Mortgage Banking for dispensing long-term credit to agriculturists. The Central Land Mortgage Bank at Madras registered in 1929 has been functioning as an Apex Bank for long-term credit to agriculturists and, as you will see from their latest annual report, they have been doing extremely well. The Bank issued during the year 1952-53 loans to the primary banks for a sum of Rs. 104.53 lakhs as stated by the President just now, which, I am told, is the

largest amount disbursed in a year since the inception of the Bank. This, I think, is a fair index of the growing popularity and success of the Bank in recent years and is a matter on which they can justly be proud of.

One very happy feature in the working of the Land Mortgage Bank is that, in recent years, the Reserve Bank of India have been taking a keen interest in its affairs and in the development of the credit resources available for the agricultural industry. They have been extending their helping hand to co-operative institutions serving the rural population by providing short-term credit at a concessional rate of interest. They have also been investing, I am told, in the long-term debentures of the Land Mortgage Banks to the tune of 20 per cent of each issue. Above all, they have been assisting the Central Land Mortgage Bank by giving very valuable advice whenever sought for. I should like to take this opportunity on behalf of the agricultural population of this State and on behalf of you all to express our gratitude to the authorities of the Reserve Bank of India for the invaluable help they have been rendering to our cause and which, we feel sure, they will continue to render in future also.

The Central Land Mortgage Bank, as I told you, was inaugurated in 1929. It had only 19 primary banks affiliated to it in the first year with a paid up share capital of Rs. 51,300. It has now grown into an institution with 130 primary banks affiliated to it with a paid-up share capital of nearly Rs. 23 lakhs and reserves totalling Rs. 31 lakhs. The debentures in circulation at present exceed Rs. 627 lakhs. The Government of Madras have extended their guarantee of both the principal of, and interest on, the debentures issued by the Central Banks to Rs. 700 lakhs. If it is required to extend this limit still further, I have no doubt Government will consider the request sympathetically if and when it is made to them.

Let me now say, with your permission, a few words about one or two common criticisms I have heard against the Land Mortgage Banking system in Madras. The first is that the rate of interest charged on loans to agriculturists is somewhat high. The main, if not the sole object of Land Mortgage Banks is to provide cheap long-term credit to agriculturists. The rate of interest charged on loans to agriculturists has, I understand, been increased to 6½ per cent which is actually one per cent more than the rate which a private money-lender can legally recover from an agriculturist. This is rather a high rate of interest which our poor agriculturists cannot bear and the levy of it defeats the very purpose for which the Land Mortgage Banks are intended to function. No doubt there are certain advantages for the agriculturist in taking his loan from the Land Mortgage Bank. It is also true that under the prevailing market conditions, the

Bank itself has to borrow at a high rate of interest from the open market. Even so, I should think that a way must be found to reduce the interest burden of our poor agriculturists. I hope this Conference will be able to suggest a satisfactory solution to this important problem. Another criticism which readily comes to my mind is that there is inordinate delay in the sanctioning of loans. The poor borrower has not got the capacity nor the patience to go through the very complicated procedure before the loan is ultimately sanctioned. I am not, for a moment, suggesting that due precautions need not be taken to see that the title to the ownership of the land proposed to be mortgaged is indisputably established before the loans are sanctioned. What I am concerned about and which I would request you to give your earnest thought to, is the delay in sanctioning the loan once the title to the ownership of the land is clearly established. You should see, in such cases that as far as possible the red tape is cut down to the absolute minimum and the loan is sanctioned and disbursed to the borrower with the least possible delay.

These are only two of the general criticisms which have come to my mind and which I have ventured to put before you for consideration. There may be other criticisms and problems which you yourselves may know of and which you will deliberate at this conference and evolve satisfactory solutions. On my part I can assure you that whatever suggestions this conference may make for the consideration of Government they will receive their best attention.

I don't want to take more of your time but before I sit down I would like to say one word about the department of which I have the honour to be in charge. I hope I may not be far wrong if I say that but for the active co-operation and support of the officers of department—and we have a very efficient set of officers in this Government Department—the endeavours of many of you non-official workers would not have achieved that measure of success which it has undoubtedly achieved. Fortunately for Madras State we are not lacking in men of ability and integrity among non-officials who can make a success of any welfare scheme undertaken by Government. Added to that we have an efficient set of officials in the co-operative department controlled by an efficient Head of mature experience in the person of Mr. Ryan, who has a deep insight into all the intricate problems confronting the movement in this State. We are on the eve of partitioning this historic State and very soon we will be parting company with many of our dear friends and I will be failing in my duty if I do not acknowledge the able assistance Mr. Ryan and his able deputies have given me which has made my task of administering the department as easy as can be.

In conclusion let me express my thanks to the organisers of this conference for having invited me to participate in this function

# THE MADRAS JOURNAL OF CO-OPERATION

to-day. It is indeed a privilege to meet together so many of the veteran Co-operators of the State and I am most happy that I am given this opportunity to meet you all. I now have great pleasure to declare this Conference open.

## Resolutions passed at the 24th Conference of Representatives of Primary Land Mortgage Banks held on 4-9-1953.

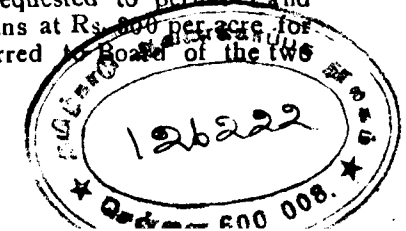
1. "The quantum of loan eligibility on rain-fed dry lands may be fixed at 50 per cent instead of 30 or 40 per cent."
2. "As there is inordinate delay in deciding the question of accepting padugai lands and casurina gardens as security for loans by the Primary Banks this Conference requests the authorities to appoint a committee to go into the matter early and decide the question without further loss of time."—Await the Government orders.
3. "When an agriculturist applies for a loan for discharging debt incurred for the purchase of a house solely for his own residence in moffusil towns, his application should not be rejected on the ground that the loan has no connection with the land, as such debt is also a prior debt coming within the meaning of by-law No. 2 of the Primary Bank and the liability can be enforced on the land also. If necessary, the house may also be taken as additional security."
4. "Disposal of Loan Applications. Resolved to request the Government and the Central Land Mortgage Bank to appoint one Co-operative Sub-Registrar for two banks in Rayalaseema area to dispose of the pending loan applications quickly,—Refer to the Board of Andhra Co-op. Central Land Mortgage Bank."
5. "To facilitate quick disposal of loan applications the Conference resolves to request the Registrar to permit the Primary Banks to send loan applications for Rs. 1,000 and below with the recommendation of the Co-operative Sub-Registrar direct to the Central Land Mortgage Bank."
6. "This Conference resolves to request the Central Land Mortgage Bank to make proposals to Government through the Registrar to reduce the number of banks allotted to each Co-operative Sub-Registrar considering the transactions of the Bank. Two banks having transactions of more than 7 lakhs each, may be allotted to a Co-operative Sub-Registrar instead of three or more. This will facilitate the quick disposal of loan applications and development of the bank in other aspects also.—Await Government's order."
7. "This Conference requests the Central Land Mortgage Bank that the cases where the village accounts are verified by the President or Hon. Secretary may be accepted and disbursement of loan amounts made. The village accounts may also be verified by the Co-operative Sub-Registrar while he visits the same village for inspection of other loan applications before the certification of the D. V. files."
8. *Staff.* "Resolved to request the Central Land Mortgage Bank to revise the scales of pay of
 

|                                                                |               |
|----------------------------------------------------------------|---------------|
| 1. Paid Secretaries ; 2. Supervisors and 3. Clerks as follows: |               |
| 1. Paid Secretaries                                            | Rs. 100—5—150 |
| 2. Supervisors                                                 | " 65—8—80     |
| 3. Clerks                                                      | " 45—2½—65    |

 —Await Registrar's orders."

# THE TWENTY FOURTH CONFERENCE OF LAND MORTGAGE BANKS

9. "In view of the increase in establishment charges and the unsteady repayments in advance, the Conference resolves to request the Registrar to enhance the limit of transactions to 5 lakhs for the appointment of Paid Secretaries."—Press for re-consideration.
10. "This Conference resolves to request the Central Land Mortgage Bank to enhance the scale of pay of the staff of P. L. M. Banks at least in those banks whose transactions have exceeded Rs. Ten lakhs.—Await Registrar's order."
11. "Resolved to request the Central Land Mortgage Bank to convene the Conference and Refresher Course of Supervisors, Secretaries and C. S. Rs. for L. M. Banks at least once in two years."
12. *Supervisors and Staff of Primary Banks.* "Grant of bonus of at least a month's salary by the Central Land Mortgage Bank from out of its net profits to the employees of Primary Banks."
13. "Conditions for repayment of Bonus as per by-law 52 (iii) regarding payment of dividend at 4 per cent may be relaxed."
14. *TITLE—Investigation.* "Insistence on obtaining signatures of joint pattadars.  
In Circular No. C. 10/52-53 the Central Land Mortgage Bank has notified that no signatures of the co-parceners or owners need be insisted in cases where evidence by a registered partition deed, court decree etc, would be available.  
In such cases we suggest that it would be enough if the applicants who have acquired title by partition deeds (registered) and court decrees are directed to file patta or chitta extracts showing the inclusion of their names in the joint patta."
15. *Refund of Share Capital.* "Resolved to request the Registrar of Co-operative Societies, Madras, to amend by-law No. 11 of the model by-laws for L. M. Banks, making provision for the refund of share capital to borrowers who have cleared their loans completely at least by transfer of their shares or in special cases obtaining the previous permission of the Registrar and the C.L.M.B."
16. *Margin.* "In view of the increase in the establishment charges the Conference resolves to request the C.L.M.B. to enhance the margin of interest to Primary Banks from 1 to 1½ per cent."
17. "This Conference requests the C.L.M.B. to relax the conditions of issuing second loans. Second loans may be issued to the members irrespective of the purposes in cases where the first loan borrowed by them exceeds a period of 5 years."
18. "Resolved to request the Registrar to facilitate the grant of a second loan in cases where 50 per cent of the loans are discharged."
19. *Loans for Land Improvement.* "In view of water being let down in the low level canal of the Thunga Bhadra Dam, several hundred acres of rain-fed dry lands will be brought under wet cultivation by the use of the canal water and the reclamation cost will not be less than Rs. 300 per acre. The Government are, therefore, requested to permit Land Mortgage Banks in Rayalaseema to advance loans at Rs. 300 per acre for reclamation of land, improvement, etc."—Referred to Board of the two Banks.



20. *Miscellaneous.* "At the beginning of the co-operative year, the Primary banks have to submit a number of statements to the Central Land Mortgage Bank and the Registrar, as stipulated by them. The completion of the revaluation work is also insisted at the beginning of the year which needs the assistance of the C.S.R. To avoid pressure on the Primary Bank's staff, the re-valuation work may be taken up in the month of January each year and finished before March."

21. "Resolved to request the Government to extend the State subsidy of 1½ per cent concession granted in G.O. Ms. 2412 Dev. dated 25-4-49 to a further period of 5 years. The period granted will expire by 1954. So the same concession may be granted till the end of June 1959 in the Rayalaseema area."—Refer to the Board of Andhra Co-operative Central Land Mortgage Bank.

22. "Resolved to request the Government and the Central Land Mortgage Bank to bear the cost of additional supervisor (half and half) for a further period of 5 years from 1954. The concessions granted in G.O. No. Mis. 6267 Dev. dated 24-12-51 by Government and by the C.L.M.B. in their Circular No. 8131/50-51 dated 16-10-51 will expire by 30-6-54. The concession may be extended till the end of June '59."—Refer to the Board of Andhra Co-operative Central Land Mortgage Bank.

23. "It is necessary to make a provision in Sec. 2(1) of the Land Mortgage Banks Act to attach other moveable properties of the defaulters besides the produce on the lands mortgaged to the bank for the realisation of arrears."—Passed. Address Government.

24. "This Conference resolves to request the Registrar of Co-operatives Societies to enhance the daily allowance of the delegates of Primary Land Mortgage Banks for attending the Conference and General Body meeting of the Central Land Mortgage Bank from Rs. 4 to 6."

25. "Resolved that all the account books, forms and ledgers etc. may be printed and supplied by the C.L.M. Bank on payment basis to maintain uniformity of accounts etc."

26. "This Conference resolves to request the Government to subsidise the banks on an amount equal to the instalments due to Primary Banks during the year 53-54 from the borrowers in the flood affected areas of River Godavary."

27. *Central Land Mortgage Bank Circulars 44/52-53 and 45 52-53.*

The Primary Banks have not the necessary finance to print pamphlets and circulate them to its members.

The matters mentioned in the Circulars are of common interest both to the Primary and Central Banks.

The C.L.M.B. is requested to print necessary pamphlets in regional languages and send them to Primary banks for circulation among its members.

## Silver Jubilee of the Eluru Co-op. Central Bank, Ltd.

5th November 1953

ADDRESS DELIVERED BY

SRI K. SUBRAHMANYAM NAIDU, M.A.

*Registrar of Co-operative Societies and Director of Industries and Commerce (Andhra)*

Brother Co-operators, Ladies & Gentlemen,

I am deeply grateful to Sri J. Lakshmayya Naidu, the President and the Directors of the Eluru Co-operative Central Bank for the privilege extended to me of giving the inaugural address on the occasion of the celebration of the Silver Jubilee of the Bank. There are two significant features connected with this occasion. The first is that the bank is for some reasons celebrating its Silver Jubilee a decade after the due date. The second is that I have not been in charge of central banks for about six years now and for some time I was outside the State. I resumed my duties here only towards the end of September last. The Directors of the bank would seem to have felt that for the delayed celebrations of the Silver Jubilee, it might be sufficient or appropriate to ask one who has been out of touch with the co-operative affairs in the State, to deliver the address. I find hardly any other reason for my being here today.

2. We are meeting soon after a major catastrophe overtook parts of the East and West Godavari Districts. The Godavari floods caused very serious damage to property and in many cases, loss of property; it brought suffering to good many people. It is a matter for satisfaction that in the measures of relief undertaken by Government and private agencies, the co-operators and co-operative institutions played a praiseworthy role. A number of co-operative central banks and societies have made very generous contributions to the Flood Relief Funds. The list may be rather long. Even so, we should gratefully acknowledge the contributions made by the Madras Central Land Mortgage Bank, the Madras State Handloom Weavers Co-operative Society and the Co-operative Central Banks in the East and West Godavari Districts in particular. The Central banks concerned too came promptly to the help of co-operative societies and their members in the flood-affected areas and disbursed loans to meet the immediate needs of the members. Till October 31st, the central banks disbursed loans amounting to about Rs. 2.25 lakhs to members of societies located in 170 flood affected villages. Some of the societies opened cheap grain shops. Weavers' co-operatives supplied cloth to various relief agencies at reasonable prices to the value of Rs. 1.89 lakhs for distribution to the people in distress. Some of the weavers who suffered damage, were given immediate help by way of loans and the State Handloom Weavers Co-operative Society made a contribution of Rs. 10,000 for the distribution of appliances at the rate of Rs. 10 per loom. Our thanks are due to all of them. Our efforts have not yet come to a close. I have no doubt that co-operators will render whatever further help is within their power to give the people in these areas.

3. The co-operative movement in Andhra has made great progress in recent years in keeping with that in the rest of the composite State of

Madras. We have to-day 10,728 societies of different types with a membership of Rs. 18.83 lakhs, share capital of Rs. 4.5 crores and a working capital of Rs. 26.74 crores. Rural credit co-operatives numbering 6,605 constitute the bulk of the societies. Other types of societies include marketing societies, weavers societies, co-operative stores, housing societies, etc. It is indeed encouraging that with the birth of the new State we see evidence of a widespread desire on the part of all sections of society for intensive co-operative effort for the establishment, ultimately, of a co-operative commonwealth. We, Andhras, hardy, intensely emotional and idealistic, dogged, resourceful and public-spirited as we are, can expect to reach this goal though distant, provided we are united by a common purpose and can root out the socially corroding factional spirit in the countryside and canalise our energies and resources into constructive endeavour. Let us all pray that God may give us the necessary strength and light.

4. West Godavari too has recorded a fairly satisfactory measure of co-operative progress. There are 586 societies of different types. On the credit side alone, there are 561 societies covering 581 of the 910 villages in the district. This is one of the districts in which the plan of co-operative expansion introduced by Government has been fully implemented. You may remember that the targets fixed under this plan are that credit societies should cover 50 per cent of the villages and 80 per cent of the population by the beginning of this year. In fact, the societies in West Godavari cover 63.8 per cent of villages and 85 per cent of the population. These societies have 94,600 members on rolls with a paid up share capital of Rs. 8.9 lakhs and last year they disbursed loans amounting to Rs. 49 lakhs to their members. The total amount of loans outstanding against members on 30th June 1953 was Rs. 60 lakhs.

Co-operation has made equally satisfactory progress among the weavers in the district. There are 49 weavers societies with a membership of about 15,000 commanding 14,000 looms and a share capital of over Rs. 7 lakhs. Their production during 1952-53 exceeded Rs. 25 lakhs. Over two-thirds of the looms in the district have been brought into the co-operative fold.

Co-operative housing has with some measure attempted to give relief to urban middle class families and two of the eight societies *viz.*, those at Eluru and Kovvur completed the construction of 211 houses at a cost of Rs. 24 lakhs.

Co-operative land mortgage banks have to their credit a satisfactory record of service. The six land mortgage banks in the district had a membership of 11,287 and a paid-up share capital of Rs. 3.04 lakhs and a working capital of Rs. 44.64 lakhs. During the year 1952-53 they disbursed loans to the extent of Rs. 11 lakhs and the loans outstanding against their members on the 30th June '53 amounted to Rs. 41.2 lakhs.

5. While this record of co-operative achievement is one for satisfaction, we should not feel contented with mere quantitative expansion. The standards of co-operative business and the character of co-operative services need considerable improvement. I may illustrate the point. Though rural credit societies in the District advanced loans to their members amounting to Rs. 49 lakhs last year, there are three principal directions in which improvement is called for. West Godavari is a district of very intensive agricultural production and the seasonal agricultural finance needed by all

eligible farmers in the district from year to year should be very considerable. The amount now lent out by rural credit co-operatives constitutes an insignificant proportion of the total agricultural finance required by the farmers. Secondly, it is often the case that the agriculturist-members do not get full finance for all their reasonable and legitimate needs, with the result that their loyalties are divided between the co-operative societies on the one hand and private money-lending agencies on the other. Thirdly, members do not get loans as promptly or quickly as they expect. Rigidity, dilatoriness and delay are often the characteristics of the rural co-operative credit system. My point is that alongside of quantitative progress, there is need for qualitative improvement. The utility of a loan is curtailed, when it is not given in time or when it does not meet all the reasonable needs of a member. Even on the non-credit side we should make considerable progress. Marketing and processing, small scale and cottage industries, dairying, cattle-breeding are some of the other fields in which intensive co-operative effort is still needed.

6. I hope that all of us—official and non-official co-operators—will soon take stock of our achievements as well as our deficiencies and failures and plan our future co-operative work in each district in the light of the results of such stock-taking. It seems to me that a better method of approach is for the co-operators to make a critical study and carry out a survey of the working of the movement in their respective districts and to formulate their plans of co-operative expansion and development with due regard to the results of such survey and their needs and resources.

7. The progress of the Eluru Co-operative Central Bank has kept pace with the general progress of co-operative banking in Andhra. The latter years of the second decade of this century witnessed the beginnings of co-operative central banks in the State and the Eluru Co-operative Central bank was one of the earliest banks to be organised. Started in 1918 with its jurisdiction extending to three taluks of the old Krishna District and with 14 individuals and two societies and a share capital of Rs. 7,430, the bank has made steady progress during the last 35 years of its existence. Its area of operations now extends to six taluks including the sub-taluk of Chintalapudy; its membership consists of 65 individuals and 534 societies; its share capital is Rs. 5.84 lakhs; its borrowings exceed Rs. 59 lakhs and its reserves Rs. 3.25 lakhs; its total working capital is over Rs. 68 lakhs. Of its total borrowings, about Rs. 30 lakhs represent deposits from members and non-members. In other words, the deposits which the bank holds work out to 50 per cent of its total borrowed amount, the balance being the loans and advances taken from the State Co-operative Bank and the Reserve Bank of India. The total amount of loans and advances made by the bank to its affiliated societies in the year 1952-1953 was Rs. 56.51 lakhs. Of this, the amount lent out to agricultural credit societies was Rs. 39 lakhs.

A number of co-operators have in varying degrees made a contribution to the progress of the bank. Particular mention may be made of the very long services which the late Sri Mothey Gangaraju rendered to the bank as its President. Sri M. Viyyanna Pantulu who is happily with us, took charge of the affairs of the bank as its President on more than one occasion. The services of Sri M. Sitharamanjaneyulu and Sri J. Lakshmayya Naidu, the present President, deserve mention. There are also many others to whom the bank owes a deep debt of gratitude for their services.

8. While we congratulate the bank on its progress, there are, however, certain broad features to which I would invite your attention. The first is the ratio of its deposits to its total borrowings. It is about 50 per cent. This is significant of the fairly large degree of dependence of the bank on the State Co-operative Bank and the Reserve Bank of India for its financial needs. The question of the composition of the resources of the bank consisting as they do of local deposits and loans and advances has to be viewed in the new context of co-operative banking in Andhra consequent on the partition of the old Madras State Co-operative Bank. Co-operative central banks in Andhra were heavily borrowing from the State Co-operative Bank to supplement their own resources. The Madras State Co-operative Bank was on the whole able to meet the demands as it commanded a large amount of deposits of about Rs. 4 crores. The new Andhra State Co-operative Bank which was formed two months ago, has had to start on its career without any share of these deposits which remained with the residuary bank. On the contrary, all the loans and advances outstanding against the co-operative central banks in Andhra were transferred to the new Andhra Bank which has to repay them to the residuary State Co-operative Bank in a period of 12 months. The loans thus transferred amounted to Rs. 133 lakhs. Again, as the Andhra State Co-operative Bank, by reason of its location, does not operate in a big or important 'money market'; it would be some time before it can find and tap new sources of deposits in an adequate measure to meet the increasing demands of its affiliated co-operative central banks.

9. This is a very significant change that has taken place in the field of co-operative banking in Andhra with the partition of the Madras State Co-operative Bank. I appeal to all those in charge of central banks in Andhra to make a note of this change and to regulate and fashion their banking policies and methods in the light of this change. Co-operative central banks in Andhra can no longer afford to depend on any large measure upon the Andhra State Co-operative Bank for funds, at any rate for some time to come. They have to take measures immediately to explore every possibility of mobilising deposits locally, to find out new and untapped sources of savings, attract them and channel them into the network of co-operatives which are their members. This is an urgent task as well as a challenge to the co-operators in Andhra. It calls for initiative, resourcefulness, determination and hard work on the part of co-operators in charge of our financing banks, and I have no doubt that they will endeavour to the best of their ability, to meet this challenge and successfully carry out their new responsibilities.

10. We should here acknowledge our gratitude to the Reserve Bank of India for the very generous measure of financial accommodation which they have provided to the Andhra State Co-operative Bank and through it, to the co-operative central banks in our new State. As you all know, the Reserve Bank has in recent years been making loans and advances to co-operative central banks in an increasing degree by fixing every year credit limits up to which they can borrow from it at a concessional rate of interest of 1½% for financing seasonal agricultural operations and the marketing of crops. The credit limits for the current year for 12 out of the 15 banks in Andhra totalled Rs. 178 lakhs. Over and above this, the Reserve Bank has, as a special case, given the Andhra State Co-operative Bank a twelve-month credit limit of Rs. 75 lakhs as a temporary measure

in view of the circumstances in which the State Bank was born and the infantile troubles to which it is subject, owing to the almost absolute lack of deposits at its disposal on its formation. The Reserve Bank's financial accommodation to co-operative central banks has been steadily on the increase, but then, there are obvious limitations to it for the simple reason that the permissible maximum credit limits are governed by certain financial and business standards fixed by it. On the contrary, the need for large funds is keenly felt by central banks. We have undertaken, as you all know, schemes of co-operative expansion in the country-side in three directions. The first is to start societies in villages which have so far remained outside the co-operative fold. The second is to increase the membership in societies so that at least 30% of the villagers may be brought into them. Thirdly, the societies are being re-organised on a multi-purpose basis. The cumulative effect of these diversified activities is that there has been a rapid rise in the demand for loans from societies. The pressure on co-operative central banks for funds is thus becoming greater and greater.

11. This emphasises that central banks should find new sources of deposits. It equally emphasises the need on the part of rural credit societies themselves to find from local sources a part at least of the funds they require for financing their members. It is unfortunately the case that the growth of the agricultural co-operative credit system in our country generally has been lop-sided. It is needless for my purpose to refer to the historical origin of the credit societies and of financing banks in our country. The pioneers of the co-operative movement expected that primary credit societies following as they should the basic co-operative principles of self-help, mutual help, thrift and savings, would secure deposits from well-to-do local people, pool them and provide, from such pooled resources, the needy section of people with loans for productive employment in agriculture. Unfortunately these expectations were not realised and co-operative financing banks were brought into existence with the passing of the Co-operative Societies Act of 1912. This continues to be the weakness of the rural co-operative credit system. Take for instance, your own district. The total amount lent out by village credit societies last year amounted to Rs. 49 lakhs and of this, the deposits from members and non-members which these societies were able to gather, was a little over Rs. 4 lakhs. In other words, their own local deposits constitute 8.5 percent of the total amount of loans given to their members. The position in this respect in some of the other districts is still worse. The societies depend far too much upon the financing banks.

12. It is true that most farming in our country is subsistence farming. There is very little surplus left with the agriculturist even in normal times and there is hardly scope for savings. Secondly, the desire or the willingness to save is lacking, especially where the joint family system prevails. Thirdly, agriculturists are often exposed to risks of loss of crops arising from droughts, floods, pests, etc. Fourthly, social and ceremonial functions are a common source of financial drain and not only their little savings, if any, but also borrowed money is often spent on these functions. Fifthly, the farmer is known for his habit of hoarding, banking habit and knowledge are conspicuously absent in the countryside. In the absence of education and propaganda and of convenient facilities for the keeping and withdrawals of his small savings, if any, near at hand or in his neighbourhood, he often resorts to hoarding or invests in land whatever surplus money he can command.

13. While it is against this background that we have to consider the problem of rural savings, it is time that we also realise that our village societies should, in the present context of our economy, endeavour to provide a substantial part of the resources needed for financing their members. I would appeal to the co-operators present here to consider very seriously the problem of mobilising rural savings through co-operative societies. I invite your attention to certain important considerations in this respect. The first is that though individual savings may be small in amounts, nonetheless they should constitute, in the aggregate, a decent addition to domestic capital. Secondly, it needs to be emphasised that "if the problem of rural credit has to be properly tackled, the machinery to be established for the purpose must keep in view the necessity for tapping rural savings in order to obtain the funds necessary for its operations". Thirdly, urban savings will have to meet the needs of large Government borrowings for financing development schemes and of private sector for financing industry, trade and commerce, especially in the context of the Five-Year Plan and cannot, therefore, be depended upon to finance adequately the increasing needs of agriculture. Fourthly, the existence of hoarding points to a willingness to save on the part especially of upper strata of agriculturists. The rural population consists of various classes some of whom, at least such as big land-holders and cultivators of economic holdings and the thirty section of small holders and tenants and traders, possess, except during abnormal seasons, margins for savings and means should be devised and developed for mobilising such savings.

14. It is here that our rural co-operative credit system should play an effective role. It is unfortunately a fact that village credit societies have, as a whole, failed to promote thrift and savings. To inspire confidence, to attract local savings and to provide facilities for withdrawal has often proved too big a task beyond their capacity to undertake. Many of them have not got the needed stature. This may be due to their structural, financial or other weaknesses. We have all along regarded societies only as groups of borrowers. It is time that we should regard them as self-help, banking and financing units providing facilities for accumulating savings in the form of deposits and promoting thrift in order ultimately to render borrowings on the part of members unnecessary. They should proceed with their future task with this objective in view.

15. I have no doubt that as practical co-operators, you know how best to proceed in this field in a realistic manner. It is time that we consider seriously how, in order to fulfil this objective, we should reorganise broad base, strengthen and efficiently run our societies. An attempt has been made in your district to approach this task and the Rangaraya Co-operative Rural Bank in Pasivedala is, in fact, an experiment in the re-organisation of our rural co-operative credit system. Operating over a wide and compact area, housed in its own building with provision of a strong room, manned by trained full-time paid staff providing credit facilities and services of different kinds including cash credit loans and advances on the pledge of gold jewels, the Rural Bank has made an impressive appeal to the villagers, created a new feeling of pride and confidence and has, in some considerable measure, succeeded in attracting and pooling rural savings. During the year 1952-53, it obtained deposits amounting to Rs. 1.68 lakhs. The Alampur Rural Bank in East Godavari is yet another successful effort in this direction. May I appeal to you to study this

experiment dispassionately? This method of organisational approach, to my mind, seems to offer better chances of success in dealt areas.

I will keep you unduly long if I were to attempt an analysis of the factors which have made village credit co-operatives what they are and of the basic principles on which, in my opinion, they will have to be re-organised sooner or later. In any case, the bigger amongst the village credit co-operatives should keep before them the three-fold objective, viz., to educate our villagers constantly in the value of, and the need, for individual thrift and savings through all media locally available, (meetings pamphlets, thrift day celebrations etc.), secondly, to create adequate incentives to save and thirdly, to provide convenient and safe facilities for investment and withdrawal of savings.

16. I have no time to elaborate the points further, but speaking of incentives, may I suggest for the consideration of the co-operators whether it would not be worth while that we should enlist the sympathy of well-to-do agriculturists in villages and secure their surplus money for profitable employment in agriculture? A possible incentive would be to permit their close participation in the activities and management of village co-operatives. For instance, there is no reason why provision should not be made for associating depositors in a more positive and intimate manner with the management of societies by making them their office-bearers and giving them an important place on the Panchayat of directorate. Depositors have a financial stake in societies and would, therefore, exercise care and caution in making loans, in arranging prompt recoveries and conducting their affairs on right lines. They will really act as sentinels and exercise wholesome influence on societies which now consist essentially of borrowers.

17. There are other methods which equally deserve consideration. For instance, loans may be linked up directly with savings. There is no reason why a loan to a member should not be fixed at a certain percentage of what he needs for his agricultural operations plus a multiple of share capital or a percentage of deposits he holds. The aim should be that a member, particularly of well-to-do or middle class type, should be persuaded gradually to save and provide a part of the capital he requires for financing his production or other legitimate purposes. Again, provision may be made for diversion of a small part of the sale proceeds of a member's produce to his deposit account. Whether this should be done by persuasion or by the application of a mild measure of compulsion is a matter which may be decided according to local conditions. Yet a third device would be to link up savings with specific objectives. Social and religious functions and festivals come under this category. There are also certain purposes like loss of cattle through epidemics, which are not foreseen but which are probable and against which some provision should be made by way of insurance. It is the duty of well managed co-operatives to make their members provide for such needs before, and not after they arise. If savings could be linked with a definite objective and personal interest stimulated by way of accumulation of small savings over a period, for the marriage of a member's daughter or son or their education or for expenditure on festival occasions, like Deepavali, Christmas or for purchase of cattle in the event of mortality or in replacement of old animals, they are likely to make a greater appeal than a vague exhortation for savings for their own sake. The success of schemes like these would

depend largely on the zeal, capacity and management of the Panchayats of societies. It is equally necessary that in order to ensure mobilisation of rural savings by co-operatives, the loans and advances which central banks give them, should be in proportion to the degree of self-help demonstrated by them by way of mobilising rural savings and measured in terms of the local deposits they secure.

18. I have taken more time than I should to stress these facts which are obvious to all of us, but which, I think, need reiteration in the new setting against which the co-operative banking system in Andhra has to operate. To the extent to which we give a new orientation to the policies and methods of working our institutions somewhat on the lines I have indicated, to that extent we may hope to ensure their future prosperity and sound development. My purpose today will have been served if a few stray ideas to which I have given expression, provide you with material for thinking and for planning the shape of our co-operative banking and credit system in the immediate future.

19. Before I close, I once again thank the President, his colleagues and members of the bank for the privilege given me to-day. Let us all pray that the Eluru Co-operative Central Bank may grow from strength to strength and that by the time it celebrates its Golden Jubilee, it would give us a much brighter and more glorious record of its service to the co-operative movement in the district.

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

R. Nagulnami Naidu, President.

## The Madras Co-op. Milk Supply Union, Ltd.

### Opening of a Consumer's Petrol Bunk\*

Ladies and Gentlemen,

I have great pleasure in welcoming you all this evening. To Mrs. and Mr. Davis we are particularly beholden in having found time to visit our Union. Mr. Davis as you know is visiting our country as an important representative of the Ford Foundation, which has been taking keen interest in the development of Agriculture, Co-operation, Technical Training and other nation building activities.

It is our good fortune that Mrs. Davis agreed to open the petrol pumping installation in the Union premises. I had occasion to acquaint Mr. Davis of the working of the Union and its efforts to help the poor agriculturist producers of the villages around the city, at the same time serving the interests of the consumers.

As many of you are aware the Madras Co-operative Milk Supply Union was organised in 1927 by my revered father Dewan Bahadur K. Deivasikamani Mudaliar who was then Joint Registrar of Co-operative Societies. He was touched by the plight of the villagers of Chingleput district who had to fight with nature just to eke out a mere sustenance and so conceived the idea of providing a second string to their bow to supplement the meagre income, by keeping a few milch cattle and selling the produce to the citizens of Madras. With its small beginnings in 1927 the Union has no doubt grown into a big institution. But the basic idea still remains there. It remains a poor producers' organisation. It still keeps in view the fact that it is intended to provide a supplemental income to the villager and that its strength lies not in increasing huge profit for itself but in gaining the goodwill of the consumer. I shall illustrate this point by mentioning one fact. You are all aware that since the beginning of the Korean War the prices of all essential commodities had gone high to the great detriment of the poorer and middle class citizens. The Madras Milk Supply Union, on the other hand, is the only institution which has firmly set its face against any increase in the price of milk as such increase would upset the health of the citizens who on account of increased prices will not be able to purchase the required quantity of milk. To the producer the Union has been a great tower of strength which he could look to during the last six years of drought for his living.

From the early years, it was felt that unless the Union finances the purchase of milch cattle and increases the milk yield, the purchase of milk from the villagers would only mean depriving them of an important and most nutritious item of food. It has therefore been the policy of the Union to finance the agriculturist borrowers

\*Welcome Address delivered by Sri K.N. Sivam, President of the Union on the occasion of the inauguration of the Petrol Bunk by Mrs. Chester C. Davis.

by loans repayable in eight to ten monthly instalments for purchase of milch cattle. To a great extent the Government of Madras have helped the Union with finance for the purpose. With the funds secured from Government and the Co-operative Banks and its own resources the Union would have by now advanced about 40 lakhs of rupees for purchase of milch cattle. These advances are recovered in monthly instalments from out of the milk bills due to the members leaving a portion for maintenance of the animals and for the up-keep of the family.

It has been our aim throughout to distribute the funds to as many families as possible. If it is only a matter of producing more milk for sale in Madras, perhaps a few capitalists could have organised one on the outskirts of Madras. The Aarey Colony in Bombay is an example of a big capitalist organisation working in conjunction with the Government to supply the milk required for a great city. In that colony no producer owning less than 50 milch buffaloes could become a supplier and in actual fact most of them own about 500 animals which means the investment of a person ranges from Rs. 50,000 to Rs. 5 lakhs. In the milk supply organisation here in the course of a year about 10,000 families supply milk and derive benefit. Such benefit of course is bound to be small. But it has to be remembered that the income from this source is only to supplement the main source and never to take the place of the main business of the family—the agriculture.

The Union works through 150 affiliated societies of which the agriculturists are members. The societies get the animals milked in a common milking centre and the Union's lorries carry the milk to Madras. In the early years the cattle had to be milked at unnatural hours to bring the milk to the city in time. To avoid this difficulty the Union installed the pasteurisation plant and this problem has been solved.

There is yet another more difficult and more technical problem awaiting solution. I refer to the problem of surplus milk during the cold season. In order to avoid heavy surplus, it has become necessary for the Union to limit the supplies from different societies as the Union will incur heavy loss by the unsold surplus milk. I have been thinking for some time whether it would be economically a sound proposition to convert the surplus milk of the season into whole milk powder so that the villagers may benefit by getting a fair price for all their milk in the season when they produce heavy quantity of milk. I appeal to the Ford Foundation, through you, Mr. Davis to help the poor agriculturists of these parts by the installation of a whole milk powder plant in our Union and also facilitate the training of our technical personnel in the dairy industry.

I appeal to the Registrar Mr. J. C. Ryan who has been taking very keen interest in the working of the Union ever since he

became Joint Registrar of Co-operative Societies to use his good offices and have a plant suggested by me installed here.

Like the hermit in the fable who in order to protect his loin cloth against the attacks of the rat had to rear a cat, a cow to provide milk for the cat and the necessary staff and lands to look after and to pasture the cow, the Milk Supply Union whose purpose is to provide a subsidiary income to the villages by finding a sale for his milk has entangled itself in all the paraphernalia of the modern world. In order to bring the milk from the villager before it gets spoilt it maintains a fleet of lorries. To keep the lorries in good order and reduce the cost of transport it is running a motor work shop. The Union is a big consumer of petrol, oil and other lubricants. In order to economise in this direction we requested the Burmah Shell which is one of the biggest oil companies operating in India to install a consumer's pump in the Union premises. We are grateful to that company for having installed the pump at their cost, charging us a nominal rent of one rupee per month and also allowing all the concessions and privileges which they allow only in the case of Government. I take it that it is a token of their appreciation of the services of the Union to the poor villagers.

It is now my pleasant duty to request Mrs. Davis to inaugurate and draw the first gallon of petrol from the pump. Our grateful thanks are due to her and Mr. Chester Davis for having agreed to grace the occasion.

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WELCOME ADDRESS

PRESENTED TO

SRI R. G. SARAIYA, B.A., B.SC., O.B.E., J.P.,  
*President All-India Co-operative Union and Federation of Indian  
Chambers of Commerce and Industry*  
By the President and Members of the Executive Committee of the  
Andhra Desa (State) Co-operative Union, Rajamundry.

Most distinguished Sir,

We the President and Members of the Executive Committee of the Andhra Desa Co-operative Union hereby extend to you our hearty welcome to our midst on the occasion of your visit to this historic city.

Honoured Sir,

Till the first October our Andhra State was only a piece of territory in the State of Madras with the result that the Andhra individuality was eclipsed by the State of Madras. Today on the formation of our State we realise its position as it is. So far as Co-operation is concerned there are 10,728 Co-operative Societies of which 6,605 are agricultural credit societies, 15 are Central Banks and 550 are Land Mortgage Banks besides a net work of Weavers Societies and other types of Non Credit Societies. Our State Co-operative Bank, State Central Land Mortgage Bank and the State Handloom Weavers Co-operative Society have been organised and started functioning.

Esteemed Co-operator:

Physically, economically and culturally Andhra has a proud heritage; given time and opportunity it will harness its hidden treasures and render them feasible for the enjoyment of its peoples. Till such time the nascent State requires help and assistance from every section, as far as possible, through Co-operative Channels, as our National Government is determined to establish a Co-operative Common-Wealth throughout the length and breadth of this vast sub-continent.

Kindly permit us to suggest to you, most respectfully, that, out of Rs. 5 crores allotted to House Building, Rs. 15 crores of Cottage Industries and Rs. 100 crores for short-term credit by the Planning Commission in the Five Year Plan, at least one crore for house building, Rs. 2 crores for Cottage Industries and Rs. 10 crores for short-term credit could be earmarked for Co-operative House Building, Cottage Industries, and for financing agricultural societies respectively in Andhra, in view of the terrible calamities of natural consequence through which this State had passed during recent years. Famine, pestilence, drought, cyclones and floods have been freely endowed to this State by nature and consequently people are without food, clothing and shelter. Unemployment is growing. To tackle these calamities full employment and cheap housing have to be provided at the earliest. We request you to use your good offices to secure this boon for us from the Centre.

ANDHRA CO-OP. PRINTING PRESS, LTD., RAJAHMUNDRY

Rural Credit System is the back-bone of our Movement. On its successful implementation lies the economic prosperity and progress of this country. The policy of one society-for-each-village has been in vogue for the last 50 years with no spectacular results. The Movement when compared to those in other countries looks like a dwarf. It is so because, we presume, the Rural folk have not been taught the utility of Banking nor there is any agency to embrace the entire economic life of the villager. The Village Credit Unit could not function beyond financing and supplying agricultural requirements. Even the multipurpose character has not dived deep into the Rural Life. We sincerely feel that the suggestions made by the Viiayaraghavachari Committee on Co-operation in 1940 may be implemented by organising Rural Banks on the model of Alamuru Rural Bank in East Godavari District and Pasivadala Rural Bank in West Godavari District and infuse new blood and new hope into the credit structure of the Co-operative Movement.

On the formation of the Andhra State and with it our Andhra Co-operative Bank, the bank stands stark naked of all deposits and surplus funds. Our State Bank for the present is groaning under debt. Its commitments and obligations are many; deposits are almost nil to finance routine administration. Under the circumstances All India Co-operative Union must play its full part by appealing to the Andhra State Government to pass legislation directing all Local Boards, University and Municipalities to deposit their funds in the State Co-operative Bank. This arrangement will go a long way to augment the finance of the State Bank and render opportunity to it to stand on its own legs.

Last but not the least, one word about ourselves. This institution was started in the year 1919 by no less a person than Dr. B. Pattabhi Seetharamayya Pantulu Garu, the present Governor of Madhya Pradesh. He was the first Editor of our Journal "*Sahakaramu*". Under the Presidentship the First Andhra Provincial Co-operative Conference was held in the year 1919 at the Chintamani Theatre in this very town, when resolutions were passed urging the formation of separate Andhra Provincial Bank and Andhra Provincial Union. After a lapse of 34 years we are having separate institutions at State level. During the past 34 years our Union passed during several vicissitudes, weathered several storms and stands today with its modest activities.

Our Union has to utilise the press for manufacturing propaganda material in larger volume that is badly needed in the rural areas and thus carry the message of Co-operation to every nook and corner. And to achieve this object the printing press is organised as a limb of the Union with a share capital of Rs. 25,000 of which we collected Rs. 12,000 so far. This is a unique enterprise in the whole of India, in the sense that a propaganda institution is owning a printing press also.

We have taken much of your valuable time and taxed your patience. We close with a sincere prayer to Almighty God to grant you long life and prosperity to serve the Movement for decades with zeal and enthusiasm. We, in conclusion, request you to declare this press open.

JAI HIND.

## G.Os. & CIRCULARS

### G.Os. and Circulars

Copy of G.O. Ms. No. 1154, Rural Welfare Department Dated 14-10-1953.

Harijan Welfare — Education — Scholarships — Co-operative Training Course  
— Condition requiring stay in recognised hostels — Waiver of Proposals — Orders passed.

#### Read—

From the Registrar of Co-operative Societies letter No. 140050/52 N, dated 28-2-53.

From the Director of Harijan Welfare letter No. A. 1. 11073/53 dated 8-9-53.

In the circumstances explained by the Registrar of Co-operative Societies and the Director of Harijan Welfare in their letters cited the Government direct that as a special case the usual condition regarding the residence in a recognised hostel for the purpose of award of residential scholarships by the Harijan Welfare Department be waived in deserving cases of students taking up Co-operative Supervisors' course subject to the production of a certificate from the head of the Co-operative Institute or the Deputy Registrar of Co-operative Societies concerned to the effect that the student is residing in the locality for undergoing training and is lodging in a private house or a hostel.

(True Copy)

Endt. R.C. 140050/52-N.

OFFICE OF THE REGISTRAR OF  
CO-OPERATIVE SOCIETIES, MADRAS.  
Dated 5-11-1953.

Copy of G. O. Ms. No. 1,154 Rural Welfare Department dated 14-10-53 is communicated to the Madras State Co-operative Union Ltd., Madras the Presidents of the Hood and Coimbatore Co-operative Institutes, the Deputy Registrars Tanjore and Coimbatore.

A. PALANIAPPAN,  
For Registrar.

## The Madras State Co-operative Union, Proceedings of the Annual Meetings

SPEECH DELIVERED BY

SRI BIKKINI VENKATARATNAM,

President, Madras State Co-operative Union

at the General Body Meeting held on 13th Dec. 1953 on the eve of bifurcation.

Brother Co-operators,

The general body meetings of our Co-operative Institutions, and of this State Co-operative Union in particular have always been occasions for cheerful and friendly contacts and deliberations; but on this occasion even the thought of holding this meeting has haunted my mind as an unpleasant project designed to carry on business in a formal, serious and prosaic manner. We had been considering at this Union on previous occasions interesting schemes and plans of development of Co-operative education, training and business. This Union, as you all know, has been very forward and active in the field of Co-operative Propaganda and Education and has earned countrywide reputation as the foremost institution in the country with the best record of work in education and visual propaganda. But now we meet to decide the fate and future of this very Institution.

After a half-century of good work the Co-operative Movement in India is planning to celebrate its Golden Jubilee in March 1954: Who can gain-say that there could be no better way to present to the public the solid contribution of this Union in the field of co-operative knowledge and education than the celebration of the Jubilee under the auspices of an undivided State Union? But, alas! we seem to be denying ourselves this privilege and distinction offered by this unique occasion. All the same, I personally feel that it is desirable that the Union should continue as a common Institution for both Andhra and Residuary Madras States, if not permanently, at least until the Golden Jubilee is over. I leave it to my colleagues in the Movement to consider this important point.

It may be that now or at least eventually this bifurcation into the Andhra and the Residuary State Unions will be accomplished. As a Co-operator and a fellow of this brother-hood, I shall be bound by the general decision of the members of this Union. I however, personally feel that when we are divided we lose half of our strength. Already the effects of the bifurcation of the State financing Institutions are being felt, both in Andhra and Residuary States. As Apex Institutions of the composite State they were looked upon with admiration as gigantic organisations, but following bifurcation, I regret to state, that they have considerably

gone down in status, particularly those in the Andhra State. The Apex institutions of the Residuary Madras State after bifurcation may be slightly stronger and more important than those in Andhra on account of their situation in Madras, which by virtue of its long history and growing importance has been the centre of attraction for a number of foreign visitors and students of Co-operation. There is the possibility of these institutions eventually building up their strength and status by remaining in Madras.

I am aware of the great handicap that the prospective Andhra State Co-operative Union will suffer by its situation at Rajahmundry. How I wish that my friends of the Residuary Madras State would allow the Residuary State Union at least to continue to have its headquarters in this metropolis? I am only thinking aloud, for I hear rumours of a possibility of efforts being made by some of the co-operators in the south to move the headquarters of this Institution from here to Coimbatore or Madurai or so. If the Madras State Co-operative Union has been able to command respect and draw visitors and admirers at national and international levels for its excellent work, it is in no small measure due to its situation at the metropolis which is invariably a place of interest for all visitors from other States and other countries. Only yesterday we had amidst us in a small gathering of local co-operative leaders no less a person than Mr. Chester C. Davis of the Ford Foundation of America. Could the State Co-operative Union, how so ever much important it may be at State level, hope to draw the attention of a visitor like Mr. Davis if it were situated either at Rajahmundry or Vijayawada in Andhra or Coimbatore or Madurai in the South?

On this occasion, my thoughts go back to the bygone decades of our happy collaboration for the promotion of the Movement and the great contacts we used to have for discussing at a common platform the problems of the Andhras, Tamils and the others alike. I am also aware of the great faith you all reposed in me by electing me to the Presidentship of this Union continuously for over a decade. It was during this period that the Union recorded its best progress in Co-operative Education and Propaganda and its success was not a little due to the earnest endeavours of my two able associates the late Sri V. Viyyanna, the former General Secretary and of Dr. P. Natesan, the present General Secretary of this Union. Dr. Natesan is one of those co-operative enthusiasts who in spite of their professional inconvenience and pre occupations have somehow found time enough to devote some attention to the promotion of the Co-operative Movement in larger interests of the humanity. A Doctor that he is he has not only endeavoured to give physical remedies but mental remedies as well. During the past nearly five years of our collaboration as co-workers in the Co-operative field

he has endeared himself to me by his untiring efforts and honest dealings. I dare say that his record of achievements in the progress of co-operatives with which he has been connected, and of this Union in particular, has been probably the best for any given period of time in the annals of this institution. Our success is no less due to the best co-operation we have always had from Sri J. C. Ryan, Registrar of Co-operative Societies who having been an International Co-operative Expert has always endeavoured to place Madras high on the co-operative pedestal. I must also, on this occasion, express my best appreciation for the co-operation given by the staff of this Union. They have helped the Institution to carry on its normal work smoothly and efficiently. The Union has grown during recent years into a real Education and Propaganda Institution of international importance with a good equipment of instructive posters and films of its own and a comprehensive system of co-operative education and training. This development of the multi-sided activities of the Union is largely due to the zealous endeavours of the Associate Editor, Sri Viswanathan Tekumalla and his able Assistants. In this connection we must acknowledge with thanks the great help given by Sri J. C. Ryan, and the Government of Madras by granting a handsome subsidy to meet the salary of a paid Associate Editor. I hope that this feature will be continued by the Residuary Government even after bifurcation in the interest of the Movement. I shall also take this opportunity to commend this example of Madras to the Government of Andhra for adoption so that the useful work done by the Madras State Co-operative Union may be followed up even by the Andhra Union.

Gentlemen, I have only expressed my personal views in the matter, since this is the last opportunity given me to address a vast co-operative brotherhood comprising Andhra and the South. It is my earnest desire that when bifurcated the respective State Unions should spare no efforts to carry on the good traditions and work of their composite unit and should endeavour to build up their strength so that eventually there will have grown two massive institutions for Co-operative development out of this parent Institution. I appeal that my advice may be viewed in this light. I once again thank you for your kindness and co-operation and bid farewell to my friends and fellow workers in the South with a heavy heart.

“Jai Hind.”

**The Madras State Co-operative Union,  
ESPLANADE, MADRAS.**

**Proceedings of the Executive Committee Meeting held on 13th  
December, 1953 at 1-30 p.m.**

*Members Present :-* Sri B. Venkataratnam Choudary—*President.*

Sri D. Mahalingam Pillai

Dr. P. Natesan

Sri T. Narayana Pillai

Sri N. S. Ramalingam

Sri H. Linga Reddy

Sri M. P. Nachimuthu Mudaliar

Sri P. Satyanarayana Raju

Sri N. R. Samiappa Mudaliar

Sri V. Jaggara

Sri M. S. Palaniappa Mudaliar

Sri H. M. Jaganatham

Sri G. Viswanatham Chetty, Joint Registrar of Co-op. Societies,  
Andhra State, Madras was also present on invitation

The following Resolutions have been passed :

1. Administration Report for the year 1952-53—Report approved  
in circulation—ratification of.

“Place before the Board and General Body.”

2. Co-operative Training and Education—admission of not-fully  
qualified candidates into Institutes—reconsideration of. (Resolution  
No. 11 of 12-10-1953 E.C.Meeting)

“Students who are under-aged are exempted as a special case.

The application of the student who is short of marks is adjourned.

3. Madras State Co-op. Union—holding of joint Co-op. Super-  
visors examination for March 1954 examination—consideration of.

“The Madras State Co-op. Union will conduct the March 1954  
examination for all the Institutes (both in the Andhra and  
Residuary Madras) and publish the results.

The net income derived out of the examination will be divided  
in proportion to the number of students.”

4. Selection of Chief and Assistant Examiners for March 1954  
Co-op. Supervisors examination—consideration of.

“Same examiners as for last year.”

5. Co-op. Stores Societies—levy of supervision fees in proportion  
to the time spent for supervision—Registrar's Rc. 151813/53 S.I. dated  
9-10-1953 intimating that supervision fee is levied on Stores working  
at a profit of more than Rs. 1,000 and that the time limit is not possible  
in reply to our Stores Committee Resolution of 20-6-53. meeting—  
reporting of

“Refer to the Stores Committee.”

6. Payment of the usual amount of Rs. 30 to the C.C.P. Works,  
Ltd. Madras towards the advertisement charges of the activities of this  
Union in the Co-op. Diary of 1954 to be published by them—sanction-  
ing of.

“Sanctioned.”

**PROCEEDINGS OF THE MEETINGS OF THE M. S. C. UNION**

7. Donation of Rs 10,250-4-0 (Rupees Ten thousand and two  
hundred and fifty and annas four only) received from the Madras State  
Co-op. Bank—reporting of.

“Recorded with thanks to the Bank.”

8. Payment of the usual subsidies to the Language Journals and  
the mofussil Training Institutes amounting to Rs. 4,500 (Rupees Four  
thousand and five hundred only) for the year 1953-54—consideration of.

“The General Secretary is authorised to disburse the amount as  
per last year after ascertaining whether common sanction  
was made by the State Co op. Bank”

9. Preparation of Maps showing Co-op. Milk Supply Societies and  
Weavers Societies - Registrars' letter—consideration of.

“Adjourned.”

10. Bills paid—ratification of.

“Ratified bills paid amounting to Rs. 6,881-11-3 (Rupees Six  
thousand, eight hundred eighty one, annas eleven and pies  
three only) for the months of October and November 1953.”

12. Condolence resolution on the demise of.

i. Rao Bahadur A. Vedachala Iyer ; and

ii. Sri D. Rajaram Reddy.

“The Executive Committee of the Madras State Co op. Union  
expresses its deepest sorrow at the sad demise of Rao Bahadur  
A. Vedachala Iyer, Retired Registrar of Co op. Societies,  
Madras and a former President of this Union and of Sri  
D. Rajaram Reddy, one of the Vice-Presidents of this Union  
and records its appreciation of their services to the move-  
ment.

The General Secretary is authorised to communicate the resolution  
to the bereaved families.”

13. Resolution given notice of by Mangalore Co-op. Land Mort-  
gage Bank regarding starting of a State Co-op. Museum—consideration  
of

“Adjourned.”

14. Resolution given notice of by Kunnathur Co-op Milk Supply  
Society—consideration of.

“Inform the General Body that these resolutions will be taken  
up by the Producers' Committee and placed before the  
General Body of the Residuary State Union.”

15. Resolutions given notice of by Mannargudi Weavers Co-op.  
Production and Sale Society—consideration of.

“Inform the General Body that these resolutions will be taken up by  
the Producers' Committee and placed before the General Body  
of the Residuary State Union.”

16. Defaulting members—non-admission into any Co-op. society—  
amendment to Rule XVIII-A—suggestion of the Tamil Nadu Co-op. Federa-  
tion—consideration of.

“Adjourned.”

# THE MADRAS JOURNAL OF CO-OPERATION

17. Rules for electing directors of Co-op. Central Banks—not desirable—Registrar's letter D. Dis. 1291160/53-A. dated 24-11-53 in reply to our Credit Committee Resolution No 7 of 20-6-53 meeting requesting for framing rules—reporting of.

"Adjourned."

18. Tuticorin Co-op. Marketing Society—writing off arrears of contribution amounting to Rs. 35 in view of financial position—Deputy Registrar's reply confirming the unsound financial position of the society till 1951-52—writing off arrears of contribution—consideration of.

"Write off the arrears of contribution."

19. Ramadas Co-op. Training Institute, Rajahmundry—election of delegate to the Board and General Body of the Institute—consideration of.

"Not necessary on account of bifurcation of the Union"

20. Terms of transfer of Clerk Sri M. Gopalam to the Andhra Desa Co-op. Union.

The question of the terms of transfer of the Clerk Sri M. Gopalam, to the Andhra Desa Co-op. Union was considered and it was decided that the transfer be effected on the existing terms of employment and emoluments of the incumbent. A formal resolution was considered unnecessary.

P. NATESAN

General Secretary.

B. VENKATARATNAM

President.

Proceedings of the Board Meeting held on 13th December, 1953 at 2-30 p.m.

Members present :—Sri B. Venkataratnam Choudary—President.

Sri D. Mahalingam Pillai

Dr. P. Natesan

Sri T. Narayana Pillai

Sri N. S. Kamalingam

Sri H. Linga Reddy

Sri M. P. Nachimuthu Mudaliar

Sri P. Satyanarayana Raju

Sri V. Jaggaraju

Sri M. S. Palaniappa Mudaliar

Sri H. M. Jaganatham

Sri K. Lakshmayya Naidu

Sri T. P. Raghava Menon

Sri V. R. Satyanarayana

Sri D. Rajasanthanam Pillai

Sri D. Chayappa

Sri K. Srinivasulu Naidu

Sri N. Palaniswami Gounder

Sri R. Arunachala Ambalagarar

Sri E. Loganatha Mudaliar

Sri B. Ranganatham

Sri U. Giddiah Chetty

Sri S. Thirunavukkarasu Mudaliar

Sri B. Satyanarayana

Sri Javvadi Lakshmayya

Sri A. Ramachandram Pillai

Sri N. P. Swaminatha Pillai

Sri V. Chinnikrishna Naidu

Sri S. Satyanarayana Raju

Sri G. M. Himachalapathy

# PROCEEDINGS OF THE MEETINGS OF THE M. S. C. UNION

Sri G. Viswanatham Chetty, Joint Registrar of Co-op. Societies, Andhra State, Madras was also present on invitation.

The following Resolutions have been passed :

1. Condolence resolution on the demise of :

i. Rao Bahadur A. Vedachala Iyer ; and

ii. Sri D. Rajaram Reddy.

"The Board of Management of the Madras State Co-op. Union expresses its deepest sorrow at the sad demise of Rao Bahadur A. Vedachala Iyer, retired Registrar of Co-op. Societies, Madras and a former President of this Union and of Sri D. Rajaram Reddy, one of the Vice-Presidents of this Union and records its appreciation of their services to the Movement.

The General Secretary is authorised to communicate the resolution to the bereaved families."

2. Consideration of the Administration Report and Audit Review for the year 1952-53.

"Place before the General Body."

3. Bifurcation of the Madras State Co-op. Union—proceedings of the Executive Committee—consideration of.

"Place before the General Body."

P. NATESAN,

General Secretary.

B. VENKATARATNAM,

President.

Proceedings of the General Body Meeting held on 13th December 1953 at 3-30 p.m.

President : Sri B. Venkataratnam Choudry—President

(Total Number of Members Present: 156)

Sri R. Adishesha Naidu, Deputy Registrar of Co-op. Societies, Madras was also present on invitation.

The following Resolutions have been passed :

1. Condolence resolution on the demise of :

i. Rao Bahadur A. Vedachala Iyer ; and

ii. Sri D. Rajaram Reddy.

"i. The General Body of the Madras State Co-op. Union expresses its deepest sorrow at the sad demise of Rao Bahadur A. Vedachala Iyer, Retired Registrar of Co-op. Societies, Madras and a former President of this Union and records its appreciation of his services to the Movement.

ii. The General Body of the Madras State Co-op. Union expresses its deepest sorrow at the sad demise of Sri D. Rajaram Reddy, one of the Vice-Presidents of this Union and records its appreciation of his services to the Movement.

# THE MADRAS JOURNAL OF CO-OPERATION

1. The General Secretary is authorised to communicate the resolutions to the bereaved families."
2. Consideration of the Administration Report and Audit Review of the State Co-op. Union for the year 1952-53.  
Adopted unanimously."
3. Madras State Co-operative Union—bifurcation—recommendations of the Partition Sub-Committee as approved by the Executive Committee—ratification of.  
"I. The bifurcation of the Madras State Co-operative Union shall be made as follows :  
i. The Assets and Liabilities shall be divided between the Andhra State area and the Residuary Madras State area on a ratio of 2: 3 (i. e., 2 for the Andhra State area, 3 for the Residuary Madras State area.)  
ii. (a) Since it is not advisable to divide the library, duplicate copies to the value of the proportion shall be purchased.  
(b) *Furniture, Apparatus & Fittings*: Either cash or Furniture itself, taking into account the depreciation value only, shall be transferred, option being given to the Andhra Desa Co-operative Union.  
(c) *Staff*: (i) The existing two Attenders shall continue in Residuary Madras State Co-operative Union  
(ii) Clerk Mr. M. Gopalam shall be transferred to the Andhra Desa Co-operative Union on the existing terms of employments of the incumbent.  
(iii) Accountant Mr. M. S. Rajagopalan shall be retained in the Residuary Madras State Co-operative Union.  
(iv) The appointment of Sri Viswanathan Tekumalla, Manager-cum-Associate Editor shall be terminated on 31st March 1954.  
iii. The proportion of the 2/5th allotted to the Andhra Desa Co-operative Union shall include the share of old Bellary District also.  
II. The bifurcation shall come into force on 1-1-1954.  
III. The Assets, Liabilities and personnel as apportioned to the Andhra area as detailed above shall be made over by the Madras State Co-operative Union to the Andhra Desa Co-operative Union.  
IV. The General Body of the Madras State Co-op. Union places on record its deep appreciation of the meritorious services rendered to the cause of the Co-operative Movement in general and the Madras State Co-operative Union in particular by Sri B. Venkataratnam Choudary, President and Dr. P. Natesan

## PROCEEDINGS OF THE MEETINGS OF THE M. S. C. UNION

- General Secretary of this Union and have resolved unanimously to install their portraits both in the Madras State Co-operative Union and the Andhra Desa Co-operative Union.
  4. Resolutions and motions, if any, of which due notice is given.  
"The President informed the members that though some resolutions were received for consideration at the General Body Meeting, it would be desirable to adjourn them to the next meeting and assign this meeting exclusively for considering the matters relating to the bifurcation."
- P. NATESAN,  
General Secretary.
- B. VENKATARATNAM,  
President.

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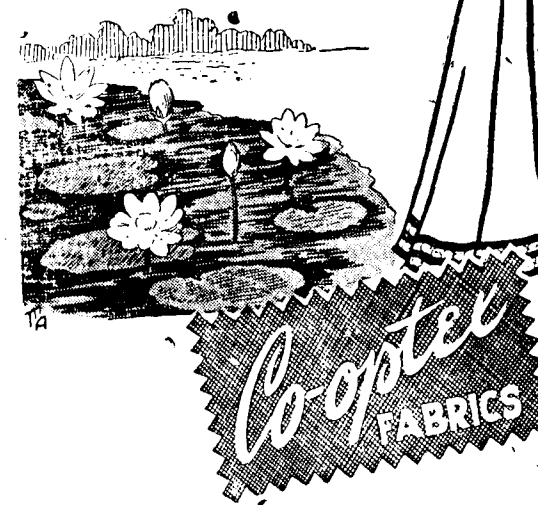
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|-----------------------|--------------------------|--------------------------|--------------------------|
| New Business ...      | 89                       | 92                       | 73                       |
| Life Fund ...         | 77                       | 83                       | 107                      |
| Business in force ... | 386                      | 429                      | 431                      |

Latest Valuation as on 30—12—1952.

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V. VENKATACHALAM, M.A., B.L.,

Secretary.

## REPORT ON THE WORKING

OF

## The Madras State Co-operative Union

(From 1st July 1952 to 30th June 1953)

### 1. Period of Report

The following is the report on the working of the Madras State Co-operative Union for the period from 1st July 1952 to 30th June 1953.

### 2. Membership

The number of member societies as on 30-6-52 was 913 and the number of member societies as on 30-6-53 was 1003. The numbers of the members belonging to the various types of institutions are given below. As usual the Union sent appeals to many co-operative institutions to enroll themselves as members. Thanks to the loyalty of the member Institutions there were very few societies which chose to disaffiliate themselves and that too due to financial stringency. We have pleasure to state that we have passed our target of 1,000 during the year under report. Our grateful thanks are due to all those who have rendered us valuable help. We appeal to our members to evince the same interest in the coming years also. The number of members as on 30-6-53 was:

| Name of Institution.                   | As on<br>30-6-'52 | As on<br>30-6-'53 |
|----------------------------------------|-------------------|-------------------|
| 1. Provincial (State) Institutions ... | 7                 | 7                 |
| 2. Central Banks ...                   | 31                | 31                |
| 3. Language Federation ...             | 2                 | 2                 |
| 4. Urban Banks ...                     | 142               | 157               |
| 5. Audit Union ...                     | 1                 | 1                 |
| 6. Land Mortgage Banks ...             | 69                | 69                |
| 7. Local Co-op. Unions ...             | 167               | 170               |
| 8. Training Institutes ...             | 4                 | 4                 |
| 9. Non-Members ...                     | 14                | 14                |
| <i>Non-Credit Societies:—</i>          |                   |                   |
| (a) i. Wholesale Stores ...            | 21                | 25                |
| ii. Primary Stores ...                 | 162               | 175               |
| (b) i. Marketing Societies ...         | 27                | 33                |
| ii. Loan and Sale Societies ...        | 25                | 24                |
| iii. Weavers Societies ...             | 43                | 52                |
| iv. Milk Supply Unions & Societies ... | 22                | 47                |
| v. Building Societies ...              | 161               | 167               |
| vi. Agricultural Societies ...         | 11                | 12                |
| vii. Other Societies ...               | 4                 | 10                |
| viii. P. C. C. Societies ...           | 3                 | 3                 |
| Total ...                              | 913               | 1,003             |

During the year under report the Union endeavoured to promote the Co-operative Movement in the State in accordance with its objects. The

following in brief were the activities of the Union during the year under review :

### I. Assistance to Federations and other Members.

A subsidy of Rs. 1,000 each was given to the Tamil Nadu Co-operative Federation (Coimbatore) and the Andhra Desa Co-operative Union (Rajahmundry) for conducting the Tamil monthly Journal *Kotturavu* and the Telugu monthly *Sahakaramu* respectively. Features like the publication of photos, notes on multipurpose activity in the districts and reviews on the working of various co-operative institutions in the State were continued during the year. The State Co-operative Union lent interesting photo blocks frequently to the Federations for their use in their respective Journals. The Federations on their part reciprocated in like manner.

A subsidy of Rs. 250 each was also given to the *Kannada Sahakari* (Kanarese Journal) and *Paraspara Sahayi* (Malayalam Journal) run by the South Kanara Central Co-operative Bank and the Malabar District Co-operative Bank respectively. All these Journals appeared regularly and contributed much to the spread of co-operative ideals and education in their respective linguistic areas.

A separate note on the working of the Language Federations is appended since they form part of the Union (Vide Annexure A.)

### II. The Madras Journal of Co-operation.

The Madras Journal of Co-operation continued to be published regularly every month. It continued to give its readers interesting and instructive articles on various subjects like Rural Welfare, Credit and Non-credit activities and International Co-operation. All the new features added to the Journal during the past three or four years were continued during the year. The general get up and lay out of the issue as well as the pictorial interest were maintained. The Journal received compliments from numerous leading co-operators in the country and elsewhere for the useful material given. Many students of Co-operative Research and Training Institutes in Madras and elsewhere found the Journal useful in the course of their work and study. We have pleasure to mention that some of the articles and editorial notes were extracted and published in some of the in other journals the country.

The Journal continued during the year as a medium of advertisement for co-operatives only at very fair rates. We appeal to our members to pay greater interest in the Journal for mutual benefit by advertising through this medium.

The cost of publishing the Journal during the year was Rs. 7,832-0-0 against which the subscriptions and appropriations from membership amount to Rs. 11,377-8-0 resulting in a net profit of Rs. 3,545-8-0. We have pleasure to state that during the year under review the enhancement in the rate of subscription of the Journal has been kindly accepted by our numerous subscribers. The Co-operative Department and the Rural Welfare Department continued to subscribe for a large number of copies of the Journal as before and we thank the Registrar of Co-operative Societies and the Director of Rural Welfare, Government of Madras, for their co-operation.

During the year under review the State Co-operative Union attracted a number of co-operators of various States and countries. There were during

the year many visitors to the Union. The list of distinguished visitors all of whom showed very keen interest in knowing about the working of the Union and its Journal is published as *Annexure B* of the Report.

### III. Co-operative Literature.

During the year an enlarged and thoroughly revised edition of the Madras Co-operative Societies Act 1932 containing case law and numerous details relating to the Circulars of the Co-operative Department and the G.Os. bearing on co-operation was brought out. We thank Sri T. Narayana Pillai, one of the Joint Secretaries of the Union who took great pain to bring out the edition.

A number of Co-operative graphs and colour posters bearing co-operative slogans were prepared. These propaganda material were sent to some exhibitions where they were much appreciated. We have pleasure to state also that our posters have become popular in India and other countries also and the Union has sold sets of posters to some of the Indian States.

Reprints of interesting articles of some individual contributors were taken and distributed so as to popularise the co-operative ideology presented by them.

### IV. Conferences and Exhibitions.

#### i. The XXVIII Madras State Co-operative Conference.

The XXVIII Madras State Co-operative Conference was held on the 20th and 21st December 1952 at the Pachaiyappa's College, Madras. On that occasion the Hon'ble Sri D. Sanjivayya, Minister for Co-operation hoisted the Co-operative Flag and the Hon'ble Sri C. Rajagopalachariar, Chief Minister of Madras inaugurated the Conference. Unfortunately owing to serious dislocation of transport and communications caused by political disturbances, Sri Bikkina Venkataratnam, President of the Union and Chairman of the Reception Committee was unable to be present on the occasion and welcome in person the delegates and distinguished visitors. In the circumstances Sri D. Mahalingam Pillai, one of the Vice-Presidents of this Union delivered the Welcome Address on behalf of the Chairman of the Reception Committee.

Shri Syamanandan Sahaya, President of the Bihar State Co-operative Bank and Vice-Chancellor of the Patna University presided over the Conference. As an adjunct to the Conference a Cottage Industries Exhibition was organised and it was opened by Dr. A. Lakshmanaswamy Mudaliar, Vice-Chancellor of the Madras University. Co-operators assembled on the occasion took the opportunity to honour the memory of the late Sri T. A. Ramalingam Chettiar, Leader of the Co-operative Movement in the South for many years, by unveiling his portrait at the Conference. The portrait was unveiled by the Hon'ble Sri C. Subramaniam, Minister for Finance. It was unfortunate that a number of delegates from the Coastal Andhra Districts could not be present due to transport difficulties for the reasons already mentioned above. On the whole the Conference was well attended by delegates and visitors from various parts of the State. A number of important resolutions were discussed and passed. The proceedings of the Conference were published in a special issue of the *Madras Journal of Co-operation*.

## ii. Deputations :

During the year under report one deputation waited on the Hon'ble Ministers concerned for making representations :

### *Government loans for co-operative housing societies :—*

In April 1953 the Government of Madras issued a G.O. restricting the advance of loans for co-operative house construction to an upper limit of Rs. 3,000 per house and Rs 200 in respect of the monthly income of the member who applies for a government loan. Co-operative Housing Societies felt seriously handicapped by this Government Order and in consequence a number of district and local Conferences of house building societies were held in Madras, Coimbatore and other districts. These group conferences unanimously appealed to the State Co-operative Union for intervention on behalf of building societies. At their request the Union considered the matter and resolved to wait on deputation on the Hon'ble Ministers concerned. A deputation consisting of Messrs. C. S. Ratnasabapathy Mudaliar, M. S. Palaniappa Mudaliar, R. K. Venkataswami Naicker, B. Bhaktavatsalu Naidu, H. M. Jagannatham and Dr. P. Natesan was constituted to make representation and submit a memorandum to the Government. After considerable correspondence the Deputation could meet the Hon'ble Ministers for Finance and Co-operation only early in July in the current year. During the interview when Messrs. M. S. Palaniappa Mudaliar, B. Bhaktavatsalu Naidu, H. M. Jagannatham and Dr. P. Natesan were present, the handicaps of the house building societies were represented and a Memorandum to restore the *status quo* prior to the issue of the G.O. was submitted. We have pleasure to state that the Government were pleased to give a sympathetic consideration to the request made and to revise the provisions of the G. O. in a more liberal manner.

It may be mentioned here that this Union in a way pursued its endeavours for obtaining exemption for co-operatives from the Shops and Establishments Act during the current year also. Though an official deputation was not constituted by the Union exclusively from among its members, yet, when the question was taken up by the Co-operative Central Banks Conference in July 1952, and the matter was pursued by the Madras State Co-operative Bank, the Union helped the Madras State Co-operative Bank in the preparation of the Memorandum and notes for discussion with the Hon'ble Ministers by the Deputation constituted by the Madras State Co-operative Bank. The Deputation consisted of Sri Bikkina Venkataratnam, President of the Bank ; Dr. P. Natesan ; Sri D. Krishnamurti Gounder, M.L.A.; Sri P. Kesava Rao; Sri N. Satyanarayana, M.L.C.; and Sri M. D. T. Kumaraswamy Mudaliar; Sri V. V. Ramaswamy Nadar, M.L.A., also was present when the Deputation met the Ministers. We have pleasure to state the Government were kind enough to hear the deputationists in the presence of the Registrar of Co-operative Societies and the Commissioner for Labour. We have pleasure to state too that recently the Government were pleased to exempt for one year all co-operative societies in the Madras State from the provisions of the Shops and Establishments Act subject to the condition that such societies amend their respective by-laws on the lines of the special by-laws relating to service conditions of co-op. employees and also include the provisions of Chapters II, III, V and VII of the Madras Shops and Establishments Act, 1947 in their standing orders and exhibit them in their premises.

## iii. Exhibitions.

### *(a) Posters, Charts etc.*

The charts, maps, graphs of the Union were exhibited at the XXVIII Madras State Co-operative Conference held in December 1952 at Madras. In April during the year at the request of the Tanjore Co-operative Central Bank the Union sent the Associate Editor to Tanjore to participate in the Tanjore Fine Arts Exhibition. All the charts, maps and graphs were exhibited there for some weeks. Our exhibits captured the fancy of a number of institutions and individuals in Madras State and elsewhere and numerous suggestions came to have the posters printed. We have pleasure to state that the Executive Committee of the Union approved of the proposals to print them and during the current year 8 posters have been printed, in English, Telugu and Tamil. We have also pleasure to state that we have supplied several sets of posters to Rajasthan, Mysore and a few other States. At the suggestion of the Registrar a set of posters was sent during the year to the Planning Commission for Exhibition during the Railway Centenary Exhibition.

### *(b) Film Shows :*

The Co-operative Films produced by the Union with the aid of Government subsidy were exhibited by our Associate Editor at the Tanjore Fine Arts Exhibition and also at the XXVIII Madras State Co-operative Conference. The Films were much appreciated by hundreds of spectators and numerous enquiries came from the public regarding Milk Co-operatives and Industrial Co-operatives. We have also pleasure to state that a number of enquiries came from other States and even from the Asian Field Mission of the I. L. O. Lahore since our films are the only Indian Co-operative Films available. We may mention here that at the request of the Asian Field Mission, I. L. O., Lahore, we lent a few of our Films for exhibition at the special Co-operative Training classes organised by them during October 1953.

### *(c) Photo Albums :*

A photo album containing photographs of co-operative institutions and their activities was under preparation for some years. The first album has now been completed. We appealed to the member institutions to help the Union in this branch of propaganda by sending copies of photos showing their activities. This will go a long way towards enabling the interested public to know the progress of the Movement in the State pictorially.

## iv. International Co-operative Day.

The International Co-operative Day for Co-operators is an occasion for re-affirming their faith in the Movement and its ideals. During the year the day was celebrated at Madras on Saturday the 1st November 1952. There was a large gathering of co-operators on the occasion. The declaration of the I. C. A. and the message of Sri R. G. Saraiya, President of the Indian Co-operative Union were read and adopted. The Hon'ble Sri S. B. P. Pattabhi Rama Rao, Minister for Rural Welfare and Sri J. M. Lobo Prabhu, I.C.S., Secretary, Development Department, spoke on the occasion. The day was celebrated at various centres in the districts also with great enthusiasm and the reports were sent to this Union for publication in the *Madras Journal of Co-operation*.

## v. Public Lectures.

During the year under report the President, General Secretary and the Associate Editor, participated in a number of functions and addressed public gatherings on various occasions.

The President during his visit to Tanjore delivered the inaugural address at the Hood Institute Trainees' Association and advised them on their role as co-operators.

The General Secretary addressed the Trainees of the Central Co-operative Institute, Madras.

The Associate Editor addressed the students of the Sir Thyagaraja College, Madras on the Co-operative Youth Movement abroad and a need for organising it in our State. During his visit to Tanjore he addressed a gathering of co-operators on the promotion of the Co-operative Movement through youth clubs.

#### V. Co-operative Training and Education.

During the year the four Co-operative Training Institutes imparted Co-operative Training in accordance with the new syllabus. The course was popular with some of the Institutes where the number of trainees was somewhat larger than during the previous year. In accordance with the new syllabus the theory examination was held for the trainees in March 1953 at the five centres, *viz.*, Coimbatore, Tanjore, Rajahmundry, Anantapur and Madras. After the theory examination the trainees were sent to the concerned Central Banks to undergo Practical Training as usual from 6th April to 5th June 1953. After the training they were examined in the respective Central Banks and the results were declared by the Union before the end of June 1953. We take this opportunity to thank the Central Banks for their whole-hearted co-operation in making the new scheme of Co-operative Training a success. We appeal to them and to the Institutes to continue their co-operation with us so that the Practical Training may be useful and fruitful.

The following are the results of the March 1953 Co-operative Supervisors' Examination:

#### Supervisors' Course. March 1953 Examination Results.

| Centre.                                                                               | Appeared | Passed in<br>Class I | Passed in<br>Class II |
|---------------------------------------------------------------------------------------|----------|----------------------|-----------------------|
| Coimbatore                                                                            | 130      | 5                    | 88                    |
| Tanjore                                                                               | 248      | 30                   | 184                   |
| Rajahmundry                                                                           | 108      | 2                    | 83                    |
| Anantapur                                                                             | 48       | 3                    | 34                    |
| Supplementary candidates in<br>all the above Institutes and<br>also at Madras centre. | 128      | —                    | 61                    |

Our experience in the field of Co-operative Education and Training has brought to light some handicaps in the system obtaining at present. Some of the steps taken to remove them are mentioned below :

#### (a) Appointments :

The Union has been functioning as a sort of employment exchange for several years past and has played an effective role in this line of activity, of course, within the limitation in which it has been placed. Institutions have been requesting the Union for mention of suitable candidates for consideration and the Union's recommendations have been duly respected. In February 1953, however, the Registrar of Co-operative Societies, suggested that Co-operative Institutions may, with advantage, contact the Government Employment Exchange for filling up any vacancies or

making fresh appointments. The President of the Hood Co-operative Institute, Tanjore also made a reference to the Union in the matter. The Executive Committee of the Union, however, considered this question and in view of the useful work that is being done by the Union felt unanimously that the help of Government Employment Exchange is not necessary for co-operatives. We appeal to the Co-operatives in this connection that they may take greater advantage of this Union's services as a sort of co-operative employment exchange.

#### (b) Qualifications

As mentioned in our last year's report there has been a feeling among co-operators that the concession in educational qualifications for Muslims, Harijans and Backward Communities has resulted in lowering the efficiency of the employees of Co-operative Institutions and that therefore the raising of the qualifications to the standard prescribed for the others is necessary. A reference has been made by the Hood Co-operative Institute, Tanjore to the Union in the matter. The need for fixing a minimum age limit for the trainees has also been brought to the notice of the Union by the Hood Institute, Tanjore. The Union obtained the views of the other Institutes also on these two points. The Executive Committee of this Union considered these suggestions in June 1953 and resolved that the minimum age limit shall be 16 and that from July 1954 no concession shall be given in respect of educational qualifications for the Muslims, Harijans and Backward Communities. As a special case, however, it was resolved to fix a fair minimum of marks for admission of these candidates for the 1953-54 session only.

Mention has also been made in our previous report of the Union's proposals to the Registrar that B. Coms with Co-operation as special subject should be required to learn work and undergo practical work for 6 months in Central Bank and that the training should be arranged by the Union. In June 1952 the Registrar approved the proposals and after amending the special by law No. 2 of the service conditions of employees of co-operative institutions so as to provide for a six-month training for B.Coms with Co-operation as arranged by the State Co-operative Union, requested the Union to prepare a scheme of training with necessary details. Accordingly the General Secretary prepared a note giving details of special training referred to in note (ii) under clause I (c) of by-law No. 2 of the Special by-laws relating to service conditions of employees of Central Banks. The Executive Committee approved and forwarded the note to the Registrar for his acceptance. We have pleasure to state that the scheme of practical training has been approved by the Registrar during the current year. We appeal to Co-operative Institutions to adopt these proposals in the interest of Co-operative Education and Training of the employees and the general working of their own institutions.

#### (c) Enlarging the Syllabus of Co-operative Institutes

Mention has been made in our last year's report that the Syllabus of the Co-operative Training course for supervisors was enlarged in respect of Banking and Book-keeping. The Government of Madras were intimated of this enlarging and request made that the Government may recognize the certificate of the Union in these subjects an equivalent to the certificate of commercial schools preparing students for Government Technical examinations. We have pleasure to state that in January 1953 the Government have recognized the standard of our Institutes and included them in the list of technical institutions so far as the two subjects are concerned.

There has been a definite rise in the status of the Institutes in this matter.

The Deputy Registrars' Conference which was held in August 1952 suggested the enlargement of the Syllabus of the Co-operative Supervisors' Course by the addition of some details under Salesmanship. The Union considered the suggestion and included it in the syllabus. We may mention here that the syllabus prescribed for the supervisors' course is elaborate and of a fairly high standard.

(d) *Buildings for the Institutes :*

Mention has already been made in the previous report of the efforts made by the Training Institutes to possess their own buildings for conducting the classes and the hostel. Mention has already been made also that the Tanjore Institute and the Rajahmundry Institute have already acquired sites. We have pleasure to state that during the year under report the Coimbatore Institute has been able to secure from the Murugan Mills two acres of land as gift and that the foundation stone has been laid by Sri J. C. Ryan, M.A., I.A.S., Registrar of Co-operative Societies, Madras. Sri T. S. Avanasilingam Chettiar, Ex-Minister of Education, Madras, presided. We take this opportunity to record our thanks to M/s. Murugan Mills, Ltd. for their munificent gift of land and their great interest in Co-operative Education. We appeal to the large industrial concerns and business institutions to take this worthy example and do their best for the other institutes in the matter for providing adequate buildings for the classes and hostels.

## VI. Information Bureau and Library.

The Library of our Union is the largest Co-operative Library in the Madras State. It has a good collection of books most of which relate to Co-operation and other nation-building activities. Books to the value of Rs. 522-11-0 have been added during the year under report. We may mention here that the Government has granted Rs. 95 for the purpose and our thanks are due to them for the same.

The Union gets nearly 50 inland and foreign journals in exchange for the *Madras Journal of Co-operation*. The Library and Reading Room were made use of liberally by many members in the City and in the mofussil and by students and lecturers of the local colleges. We are glad to state that the Library and Reading Room are being found very useful by all those interested in the study of Co-operation.

During the year under report a number of institutions and individuals from this State and outside contacted the Union for information of various kinds. The Union readily responded to their requests. Among the individuals who visited the Union may be mentioned: Sri S. D. Udhrain, Under Secretary, Ministry of Food and Agriculture, Govt. of India; Sri G. W. Goswami, Registrar of Co-op Societies, West Bengal; Hon'ble Sri Amritlal Yadav, Minister for Co-operation, Rajasthan, Mr. R.H. Gretton, F.A.O. of United Nations; Sri Sohan Singh, Asst. Registrar, Punjab; Sri Ram Ekbal Sinha, Member, Indian Central Tobacco Committee; Sri K. Subba Rao, President, Mysore State Co-op. Apex Bank; Mr. Maung Myint, Deputy Registrar of Co-op. Societies, Burma and Sri L. B. Bhokre and party from Amroati, Madhya Pradesh. A complete list of Visitors is appended as Annexure B.

## VII. Research and Study of Problems.

The five Sub-Committees for Marketing, Producers, Stores, Credit, and Education keenly followed the progress of the Movement in the respective spheres during the year. One meeting of each of the sub-committees was held during the year and important problems were discussed.

(i) *Marketing Committee* :—At its meeting held on 20-6-53 this Committee welcomed the decision of the Government of India to create a Central Marketing Organisation for handloom cloth and suggested the establishment of sale agencies in Europe and America also. The Committee also suggested the establishment of a Central Cottage Industries Marketing Society in the State and also the linking of Co-operative stores with Women Cottage Industries Societies so that more women may be induced to join the Co-operative Movement. The Registrar, however, felt that there was no need for a Central Cottage Industries Marketing Society since there are separate Central Institutions for special Cottage Industries. The Union addressed some important co-operative stores to help the Women's Co-operatives in marketing their goods.

(ii) *Producers' Committee* :—At its meeting held on 20th June 1953 this Committee considered a number of suggestions for the development of Co-operative Dairying. For instance it recommended the organisation of cattle breeding societies and exemption of Milk Co-operatives from sales-tax and the construction of cattle-sheds for milking cows. We have pleasure to state that the Government have considered favourably the question of sales tax exemption and during the current year ordered the levy of sales tax at one point only. The Registrar has during the current year issued a circular to all his assistants in the districts instructing them to organise cattle breeding societies in pursuance of the Union's suggestion.

(iii) *Education Committee* :—At its meeting held on 20th June 1953 this Committee considered a number of important subjects relating to Co-operative Education. Mention has already been made under section V (b) of the need felt by co-operative institutions for raising the qualification of Harijan, Muslim and Backward Community candidates and also the age limit for all candidates for admission into the training institutes. The Education Committee considered the proposals of the various Institutes and decided that the age limit should be fixed at 16 years completed as on 1st July of the year in which the candidate seeks admission. In respect of marks the Committee felt that in view of the need for progressive raising of the standard the minimum might be fixed for the year 1953-54 only at 20 per cent in English; 20 per cent in Elementary Mathematics and 25 per cent in Vernacular, and that from July 1954 all candidates irrespective of community should be at least S.S.L.C. eligible or eligible for Public Services Commission Examination.

The Committee also considered the resolution No. 47 of the recent 28th State Co-operative Conference regarding the bifurcation of Co-operative Service into two cadres and the establishment of a Co-operative College and invited the opinions of District and State Co-operatives in the matter. We may mention here that the opinions having been received during the current year it has been found from them that the proposals were not favoured generally. The Committee also made recommendations for the regularisation and the periodical holding of practical training and oral test. One important matter considered by the Committee related to the details of special training referred to in note (ii) under clause I (c) of bylaw No. 2 of the special bylaws relating to the service conditions of the employees of

Central Banks. The Committee approved of the Note of the General Secretary of the Union prepared in response to the request from the Registrar asking for the details of the special training for six months which the B. Com. graduates will have to undergo for employment in the Central Banks. In his Note the General Secretary suggested that the six months' course may be split into two periods of three months each during which the candidate will have to learn work in the District and State Banks respectively in all the sections. The programme will be arranged by the Union and the certificates will be issued by it on the recommendation of the Secretary of the State Co-operative Bank.

(iv) *Stores Committee*:—At its meeting held on 20th June 1953 this committee considered a number of subjects relating to the activities of primary and wholesale stores. The important recommendation made by the Committee were that the Government may be requested to collect the supervision fee from the Stores in proportion to the time spent for the supervision of each store and that the District Co-operative Banks should be permitted by the Registrar to advance open loans to wholesale stores to the extent of paid-up share capital and invested reserve fund. With regard to the supervision fund it may be mentioned that in the current year the Registrar expressed his opinion that the levy on the basis of percentage of net profits has worked well and need not be altered.

(v) *Credit Committee*:—At its meeting held on 20-6-53 this Committee considered a number of vital problems bearing on credit and made important recommendations. It recommended that for appointing paid Secretaries in pursuance of Rule XXVII-A of the Madras Co-operative Societies Act the lower limit of working capital may be raised to Rs. 2 lakhs from Rs. 1 lakh and the Registrar be requested to move the Government in the matter. Another important suggestion was that in the case of Urban Banks opening current accounts with the Apex Bank or Central Banks the rule should be amended that the Registrar's permission and renewal are not necessary. The Committee also requested the Registrar to frame a set of election rules for the conduct of elections for Central Banks.

But by far the most important recommendation related to the grant of Government loan for the construction of houses through House Building Societies. When the Registrar issued a circular in May 1953 that in pursuance of G. O. No. 63252/B. II-52-14 dated 22-4-1953 the limits of house loans would be reduced from Rs. 12,000 to Rs. 3,000 and individual income limit to Rs. 200 per month for obtaining a Government loan, some of the house building societies in the State requested the Union to move the Government in the matter of altering the G. O. The Committee considered the subject and resolved to request the Government to continue the original terms during 1953-54 also. It also resolved to send a deputation to meet the Hon'ble Ministers and submit a memorandum. Details of this deputation have already been given under section IV (ii).

### VIII Funds

During the year under report vigorous efforts were made to raise the necessary funds in accordance with the bye-laws. A sum of Rs. 7,668 was collected as annual contribution from member societies during the year and there is a sum of Rs. 6012 as arrears yet to be collected. We thank all those institutions and individuals for their response to our request. We take this opportunity to tender our grateful thanks in particular to the

Madras State Co-operative Bank for the generous grant of Rs. 11,500 from its Common Good Fund and the Madras Co-operative Central Land Mortgage Bank for their grant of Rs. 500 from their Common Good Fund.

The working of the Union for the year under review shows an income of Rs. 80,398-8 and an expenditure of Rs. 65,675-3 leaving a surplus of Rs. 14,723-5 i. e. a cash surplus of Rs. 4,263-4 and the remaining Rs. 10,460-1 as films.

The activities of the Union have been progressively increasing year after year and this means increased expenditure in various directions. It therefore became necessary to enhance the Annual Contributions of the member Institutions. Accordingly the General Body of the Union resolved to enhance the annual contributions and we have pleasure to state that the bylaw amendment has since been registered by the Deputy Registrar. We appeal to the members to support this measure taken in the interests of the Union which is their own institution.

### IX. Tendering of Opinion on Matters of Policy.

As an exponent of non-official opinion in the State this Union tendered its opinion to some co-operative institutions and also to the Co-operative Department on certain matters relating to Co-operative Service and Administration. For instance in arranging for the practical training for six months for the B. Coms. (with Co-operation as special subject) as required by the Registrar's circular relating to the Service Conditions for the Co-operative Employees. In the matter of obtaining exemption from the Shops and Establishments Act for Co-operative Institutions the Union helped the Madras State Co-operative Bank in preparing the Memorandum and advising on important issues involved.

### X. Other Activities.

#### (i) General Meetings:

(a) *General Body*:—The General Body met once during the year. At the meeting held on 20-6-1953 the President reported to the members the situation arising out of the Government Order restricting the availability and amount of loan to the House Building Societies and the decision of the Executive Committee of the Union to wait on a deputation on the Honourable Ministers concerned. The President also reported that at the instance of the Registrar the Executive Committee considered the future set up of the Madras State Co-operative Union following the formation of the Andhra State and mentioned a sub-committee had been constituted to make necessary recommendations for bifurcation.

(b) *Board of Management*:—The Board of Management met once during the year, on 20-6-1953 and approved the Budget for the year 1953-54.

(c) *Executive Committee*:—The Executive Committee met four times during the year for disposing of the business of the Union and the meetings were generally well attended.

#### Staff

Sri Viswanathan Tekumalla continued to be the Associate Editor and Manager of this Union. His basic pay was met by the Government. The

Union gratefully thanks the Government and the Registrar of Co-operative Societies, Madras, for their great interest in the Union and for the kind gesture made in this behalf.

#### Loss to the Movement

It is with a deep sense of sorrow that we mention here, that the Co-operative Movement in Madras has suffered an irreparable loss on account of the sad demise of some of our veterans in the Co-operative field, viz., Sir T. Vijayaraghavachariar, Sir N. Gopalaswamy Iyengar, Prof. H. L. Kaji, Sri L. N. Paramasivam Pillai and Sri S. C. Venkatappa Chettiar. Some of these veterans were connected with the activities of the Union in particular and the Co-operative Movement in general. The unfortunate demise of these veterans had been a great loss to the Movement not only in this State but in the rest of India. We record here our appreciation of their great service to the Movement and assure that their useful work will be pursued by us vigorously and assiduously.

#### The Formation of the Andhra State

The Government of India having decided to form the Andhra State it became necessary for the State Co-operative Institutions also to bifurcate so as to fit in properly in the future set up of the Co-operative Movement in the two States of Andhra and Residuary Madras. It has been felt by some Co-operators—Official and Non-Official—that this bifurcation of the Co-operative Institutions will weaken the Co-operative Movement in the composite State which has built up its strength over some decades. But due to administrative and other reasons the Institutions had to agree to bifurcation. The Madras State Co-operative Union has done solid service as a Co-operative Propaganda and Educational Institution and it was felt by some Co-operators that unlike financing institutions this Propaganda Institution could be permitted to continue without division. The Registrar, however, having invited the views of the Union in the matter, the Executive Committee considered the question at its June meeting and resolved to bifurcate. A sub-committee has been appointed for the purpose of making recommendations for bifurcation. The Sub-Committee met during the current year and the work of division of assets and liabilities is in progress. It is unfortunate that the huge co-operative structure of Madras should be split at this stage. It is however hoped that with the long traditions behind them the Co-operators of Andhra and Residuary Madras will not find it difficult to build up the Movement quickly again.

#### Thanks

The Union tenders its grateful thanks to the Hon'ble Sri C. Rajagopalachariar, Chief Minister of Madras, Hon'ble Sri D. Sanjeevayya, Minister for Co-operation, Hon'ble Sri C. Subramaniam, Minister for Finance, and Hon'ble Dr. U. Krishna Rao, Minister for Industries, who had throughout showed a benevolent attitude towards the Union and enabled it to carry on its useful work steadily. The Union also thanks Sri J. C. Ryan, Registrar of Co-operative Societies, and the Joint Registrar of Co-operative Societies, and other Officers of the Co-operative Department for their keen interest in the working of the Union and the advice which they readily gave to the Union whenever it was sought.

### ANNEXURE (A).

#### Working of the Language Federations,

##### (i) The Andhra Desa Co-operative Union, Rajahmundry-1952-53

The membership of the Union rose from 929 to 973 by the end of the year. It consists of (1) Share-holders, (2) Life-members and (3) contributory members. Among the contributory members there are three Central Banks, 27 urban banks, 30 Land Mortgage Banks, one Training Institute and 41 Local Co-operative Unions, 58 Weavers Societies, 104 non-credit societies, 440 Village Credit Societies and 12 honorary members.

The Funds of the Union consist of (1) Annual Subscriptions (2) Subscriptions to the journal "Sahakaramu" and (3) Miscellaneous Collections, viz. subsidies etc., as per the D. C. B. shown below:—

|                                                  | Demand<br>Rs. A. | Collection<br>Rs. A. | Balance<br>Rs. |
|--------------------------------------------------|------------------|----------------------|----------------|
| 1. Annual contributions ...                      | 11,472 10        | 4,798 10             | 6,674          |
| 2. Subscription for the journal "Sahakaramu" ... | 1,881 0          | 256 0                | 1,625          |
| 3. Subsidies & Grants ...                        | 1,095 0          | 1,095 0              | ...            |

As on 30-6-53 the Union held Rs. 4,000 as Fixed Deposits in the Rajahmundry Co-operative Central Bank and the Innespeta Co-operative Urban Bank Ltd. Rajahmundry, and the Rajahmundry Government Servants' Co-operative Society. The balances to the credit of the Union under current accounts in the Rajahmundry Co-operative Central Bank and the Madras State Co-operative Bank amounted to Rs. 11,985 and Rs. 4,161-1-0 respectively. The Union held shares worth Rs. 100 and Rs. 10 in the Vizianwada and the Kistna Co-operative Central Bank Masulipatam. The balance in the Employees' P. F. Investment Account with the Rajahmundry Co-operative Central Bank is Rs. 2,231-13-0.

#### Activities of the Union

During the year the Union published journal "Sahakaramu" as usual and many interesting articles, poems, short-stories and addresses delivered by eminent leaders of the Movement and Hon'ble Ministers and photo-blocks have been published. The production cost of the journal amounted to Rs. 2,093-2-0 while the subscriptions and the advertisement charges realised came to Rs. 1,061

#### Publications

Annual Statement Forms were printed and sold during the year and the Union earned a net profit of Rs. 676-12-0 in the business. Stock to the value of Rs. 856-4-0 (Both Annual Statement Forms and Model Bylaws) is on hand at the end of the year.

In future it is proposed to intensify the publications as the printing press section also commences its work from 1-10-53. There are already the Co-operative Manual Parts I & III and the Co-operative Act with rules. They have been translated into Telugu and are under scrutiny. It is also proposed to take up gradually printing of Account Books and forms as per specifications of the Registrar of Co-operative Societies.

Consequent on the bifurcation of the Madras State Co-operative Union the functions of the Madras State Co-operative Union will

devolve on this Union so far as the Andhra State is concerned. It is proposed to intensify propaganda, Education through publications, Information Films, magic-lanterns, charts etc.,

### Propaganda

The Union celebrated the XXX International Co-operative Day on 1-11-53 in the premises of the Union. Sri M. Bapineedu, Executive Officer of the Community Projects presided. The local Deputy Registrar of Co-operative Societies Sri K. Venkiah Naidu unfurled the Co-operative Flag. The students of the Ramadas Co-operative Training Institute of this place staged a social drama on this occasion. The meeting was largely attended by the elite of the town, students, and Co-operators—official as well as non-official.

Under the auspices of this Union the Guntur District Co-operative Conference was held on 21-9-52 under the presidentship of Sri N. Satyanarayana M.L.C., Editor, "Sahakaramu". Hon'ble Sri D. Sanjeevayya, Minister for Co-operation, Government of Madras opened the Conference. Valuable suggestions were made for the successful working of the Co-operatives. The Hon'ble Minister for Rural Welfare, Government of Madras, Sri S. B. P. Pattabhiramarao B.A., B.L., presided over three public meetings organised by this Union at Choppella, Alamur and Madiki.

Sri N. Satyanarayana, M.L.C., Sri P. S. Guruswamy, General Secretary, Messrs I. Satyanarayana and D. V. Raghavareddy, Joint Secretaries toured their respective areas and delivered lectures on Co-operation. Sri S. Krishnaswami, Manager of the Union toured all the districts in Andhra Desa and collected share-capital for the printing press, besides delivering propaganda lectures.

The State Bank gave a subsidy of Rs. 1,000 through the Madras State Co-operative Union, as usual.

**Library:**—During the year the Government were pleased to grant Rs. 95 towards library grant. The value of the library books at the end of the year was Rs. 1,152-3-0 after allowing 10 per cent depreciation.

### Printing Press

Another activity added to the objects of the Union is printing. The installation of the Press is going on. The bylaws have authorised the Union to raise a share-capital of Rs. 25,000. An amount of Rs. 11,955 under share-capital for press was collected by the end of the year, and orders were placed for the machinery. The machinery is since arrived but installation could not be taken up immediately owing to floods of the Godavari. The Press will be quite ready to function from 1-10-1953.

### (ii) The Tamil Nadu Co-operative Federation Ltd., Coimbatore 1952-53

The year 1952-53 is the 25th Year of the working of the Federation. The area of operations of the Federation extends to the whole of Tamil Nadu consisting of the Districts of Coimbatore, Nilgiris, Salem, North Arcot, Chinglepet, South Arcot, Tanjore, Tiruchirappalli, Ramnathapuram, Madurai, Tirunelveli and Madras.

### Members

There were 375 members at the end of the year as against 310 members at the close of the previous year. They consisted of 13 Central Banks,

9 Central Stores, 1 Audit Union, 8 Supervising Unions 2 Co-operative Presses, 5 individuals and 263 other societies.

### Activities

**"KOOTTURAVU" journal:**—The Tamil monthly journal 'Kootturavu' continued to be published by the Federation. There were 2041 subscribers at the end of the year as against 1852 at the end of the previous year. Apart from this the journal is being supplied free to all the members as per bylaws. The Co-operative Department has reduced the number of its subscription copies from 47 to 30 during the year as a measure of economy. The total circulation of the journal stood at 2572 copies at the close of the year including the supply to members and exchange and complimentary copies.

The journal has been made more useful by the addition of useful matter. The working of Co-operatives at home and abroad, proceedings of conferences, news and notes relating to men and events, important G.O.s and circulars, photographs of interest to co-operators, songs and stories bearing on co-operation, agricultural notes and other useful articles have been published in the journal. The journal has also received several contributions of articles from co-operators. Some of the articles published in 'Kootturavu' have been extracted and published by other periodicals. The popularity of the journal will be evident from the increased circulation of the copies and the increase in the number of advertisements that have been received. It is on the exchange list of 24 periodicals.

The Editorial Committee constituted under the bylaws was elected during the year and the members of the Committee are:

1. Sri A. R. Ramakrishna Naidu,
2. Sri T. K. Navalar,
3. Dr. B. Natarajan, M.A., D. Litt.

The cost of printing the journal including paper cost amounted to Rs. 4982-13-0 as against Rs. 4653-13-0 of last year. The subscriptions realised this year amounted to Rs. 6505-9-0 as against Rs. 6389-3-0 of last year. In spite of the increase in the pages, the subscription was kept at Rs. 3 per annum for co-operative societies.

### Translation of the Act

The work relating to the translation of the Act copies into Tamil has been completed. The copies are under print. Orders for the Tamil Act copies are being received from co-operative institutions.

### Translations of Bylaws

The Federation has translated the model bylaws of Primary Land Mortgage Banks at the request of the Deputy Registrar of Land Mortgage Banks, Coimbatore. Other Co-operative institutions are also approaching the Federation for rendering their bylaws in Tamil. The federation has undertaken the work relating to the translation of the Mettupalayam Co-operative Urban Bank, during the year for a nominal fee.

### Sale of Publications and Co-operative Flag

Books published by the Federation and those received on Consignment basis are being sold by the Federation. Co-operative Flags are

also made and supplied to those who require them. During the XXVIII Madras State Co-operative Conference, the Federation opened a book-stall at Pachaiappa's College and sold the books to the visitors. The sale of Books and Flags during the year amounted to Rs. 358-9-0. A gross profit of Rs. 86-10-0 was realised on this account.

#### Deputation

At an informal conference of Building societies on 24-5-'53 held at Coimbatore it was resolved to send a deputation to wait on the Finance Minister for modifying the recent G. O. which restricts the issue of Government loans to members of Building societies to Rs. 3,000 and that too to those whose monthly income does not exceed Rs. 200. The Secretary of the Federation who was one of the members of the deputation waited on the Minister for Finance along with the Secretary of the State Union and the Registrar. The Minister had assured to do the needful in the matter after 1st October.

#### Funds

The funds of the Federation consisted of (1) subscriptions for the journal (2) Advertisement charges (3) Contributions from members and (4) Subsidy from State Co-operative Union. Out of a demand of Rs. 9730-3-0 under subscriptions and Rs. 5,042 under contributions a sum of Rs. 6505-9 under subscriptions and Rs. 2927 under Contributions were collected during the year. Vigorous efforts were made in the matter of collections. The subscriptions realised during the year was the highest of all the previous years. The advertisement revenue of the year amounted to Rs. 1660-5-0. The Madras State Co-operative Union has been good enough to sanction the usual subsidy of Rs. 1,000 this year. The total income for the year was Rs. 11,931-6-0 as against Rs. 10,950 14-0 of last year. The expenditure on the journal, establishment and contingencies amounted to Rs. 10,593-13 this year as against Rs. 10,514-10 of last year. The Year's working resulted in a surplus of Rs. 1,340-9-0 as against Rs. 436-4-0 of last year. The total amount of surplus including the surplus of previous year stood at Rs. 9,123-8-0 as on 30-6-'53.

#### General

Two Executive Committee Meetings, One Board Meeting and One General Body Meeting were held during the year.

The Editor-cum-Manager toured Salem, Tanjore, Madhurai and South Arcot during the year. He did propaganda and canvassed subscribers and members during his tours.

It is with deep regret that the Federation has to record the demise of Sri L. N. Paramasivam Pillai, the President of the Federation on 10-1-'53. Sri Pillai evinced keen interest in the development of the Federation. In his death, Tamil Nadu has lost a veteran co-operator. The post of the President of the Federation is to be filled up on 25-10-'53 at the Board meeting to be held at Tanjore.

The thanks of the Federation are due to the Tamil Nadu Co-operators, The Madras State Co-operative Union, The Co-operative Central Banks, Central Stores and all the other institutions that are taking interest in the development of the Federation. All the Central Banks are requested to help the Federation in the matter of collection of the subscription dues by adjusting the same from the dividend amounts of the respective societies and paying in one lump sum. The thanks of the Federation are also due to the numerous readers of 'KOOTTURAVU'.

### ANNEXURE (B)

#### List of Visitors to the Madras State Co-operative Union during the year 1952-53.

1. Sri L. B. Bhokre, Hony. Secretary, Berar Co-op. Institute, Amravati.
2. Sri M.H. Barde, Retired E.A. Director of Agriculture, Presiden Taluk Agricultural Association, Akola and Chairman Co-op. Central Bank, Akola.
3. Sri M. Madhekar, Circle Auditor and Organiser, Berar Co-op. Institute, Amravati.
4. Sri S. D. Udhrain, Under Secretary to the Government of India, Ministry of Food and Agriculture.
5. Sri G. W. Goswami, Registrar of Co-op. Societies, West Bengal.
6. Hon'ble Sri Amrit Lal Yadav, Minister for Co-operation, Rehabilitation and Forests, Government of Rajasthan.
7. Sri Sohan Singh, Assistant Registrar, Punjab.
8. Mr. R. H. Gretton, Food and Agricultural Organisation of the United Nations.
9. Sri Ram Ekbal Sinha, Member, Indian Central Tobacco Committee.
10. Mr. Maung Myint, Deputy Registrar of Co-op. Societies, Burma and Leader of the Burmese Co-operative Delegation.
11. Sri K. Subba Rao, President, Mysore State Apex Bank.
12. Sri H. R. Marudeva Gowda, Joint Registrar of Co-op. Societies, Mysore.

# AUDIT REVIEW

By

SRI R. ADISESHA NAIDU,  
Deputy Registrar of Co-operative Societies, Madras.

ON THE ACCOUNTS OF

The Madras State Co-operative Union, No. 1130.  
for the year ended 30-6-53.

The Accounts of the Madras State Co-operative Union for the year ended 30-6-1953 as audited by Sri C. Munuswamy, Senior Inspector of Co-operative Societies, Madras, are passed. The statement of receipts and charges, funds available and obligations to be fulfilled and income and expenditure accounts as furnished by him are appended.

## 2. Membership:—The number of members as on 30-6-53 was:—

| Name of Institution.               | As on<br>30-6-'52 | As on<br>30-6-'53. |
|------------------------------------|-------------------|--------------------|
| 1. Provincial (State) Institutions | 7                 | 7                  |
| 2. Central Banks                   | 31                | 31                 |
| 3. Language Federations            | 2                 | 2                  |
| 4. Urban Banks                     | 142               | 157                |
| 5. Audit Union                     | 1                 | 1                  |
| 6. Land Mortgage Banks             | 66                | 69                 |
| 7. Local Co-operative Unions       | 167               | 170                |
| 8. Training Institutes             | 4                 | 4                  |
| 9. Non-Members                     | 14                | 14                 |

## Non-Credit Societies:

|                                    |     |     |
|------------------------------------|-----|-----|
| (a) i. Wholesale Store             | 21  | 25  |
| ii. Primary Stores                 | 162 | 175 |
| (b) i. Marketing Societies         | 27  | 33  |
| ii. Loan and Sale Societies        | 25  | 24  |
| iii. Weavers Societies             | 43  | 52  |
| iv. Milk Supply Unions & Societies | 22  | 47  |
| v. Building Societies              | 161 | 167 |
| vi. Agricultural Societies         | 11  | 12  |
| vii. Other Societies               | 4   | 10  |
| viii. P.C.C. Societies             | 8   | 3   |

Total ... 913 1,003

## 3. Funds:—The funds of the Union are composed mainly of:—

- Contributions from member societies;
- Subscriptions from *Madras Journal of Co-operation*;
- Subsidies and other miscellaneous.

The Demand, Collection and Balance Statements for items (i) & (ii) are given below:—

|                  | Demand.<br>Rs. A. | Collection.<br>Rs. A. | Balance.<br>Rs. A. | Advance<br>Collection.<br>Rs. A. |
|------------------|-------------------|-----------------------|--------------------|----------------------------------|
| Contribution ... | 13,680 6          | 7,668 0               | 6,012 6            | 27 0                             |
| Subscription ... | 5,495 11          | 3,221 5               | 2,274 6            | 68 8                             |

## 4. Activities of the Union:—

(a) *Madras Journal of Co-operation*:—The Journal was published every month. The cost of the publication amounted to Rs. 7,882. Against this a sum of Rs. 11,377-8-0 was realised by subscriptions, advertisement charges and contributions.

(b) *Library*:—The value of books on hand amounted to Rs. 4,078-2-0.

(c) *Subsidies*:—Journals were published in the vernacular languages. Subsidies paid to the Institutions are noted below:—

|                                          | Rs.   |
|------------------------------------------|-------|
| 1. Tamil Nadu Co-op. Federation          | 1,000 |
| 2. Andhra Sahakara Sammelanam            | 1,000 |
| 3. Malabar Dt. Co-op. Bank               | 250   |
| 4. S. Kanara Central Bank                | 250   |
| 5. Co-op. Training Institute, Coimbatore | 500   |
| 6. " Tanjore                             | 500   |
| 7. " Rajahmundry                         | 500   |
| 8. " Anantapur                           | 500   |

(d) *Propaganda*:—The Madras State Co-operative Union has translated into Telugu and Tamil, the English version of the one Act play entitled "*What the Vintners Sell*" written by Sri J. M. Lobo Prabhu, I.C.S. Secretary, Development Department, Government of Madras and distributed freely the printed copies to various co-operative institutions. A sum of Rs. 434-1-0 has been incurred by the Union toward printing and cost of paper.

A sum of Rs. 210-15-0 was spent towards shooting of films in addition to the film relating to the Cottage Industries and Milk supply already taken in the previous year to the value of Rs. 9,192-6-0.

A few sets of hand painted pictorial colour posters on Co-operative mottoes were prepared and sent to various exhibitions and also to the Planning Commission, New Delhi, in connection with the Railway Centenary Exhibition for exhibiting them.

*Meetings*:—Four meetings of the Executive Committee, One meeting of the Board, One meeting of the General Body and One meeting of each of the Sub-Committees were held during the year under review.

*Miscellaneous*:—The Training Classes of Supervisors were conducted in the four Training Institutes at Coimbatore, Tanjore, Rajahmundry and Anantapur. The Union received a sum of Rs. 6,882-8-0 by way of examination fees etc. against an expenditure of Rs. 2,872-6-0.

R. ADISESHA NAIDU,  
Deputy Registrar.

**The Madras State Co-operative Union 1952-53.**

**STATEMENT No. I.—Receipts and Disbursements for the year ending 30th June 1953.**

| RECEIPTS                                               | Rs. A.            | DISBURSEMENTS                                                                    | Rs. A.            |
|--------------------------------------------------------|-------------------|----------------------------------------------------------------------------------|-------------------|
| Provident Fund Deposit from Staff                      | ... 517 7         | Fixed Deposit invested in George Town Co-op. Credit Society, Ltd., Madras        | ... 10,000 0      |
| Interest on security Deposit of Staff                  | ... 5 3           | Provident Fund for Staff                                                         | ... 517 7         |
| Sales:                                                 |                   | Security Deposit of Staff                                                        | ... 5 3           |
| Sale of Publications                                   | ... 5,871 10      | Purchases:                                                                       |                   |
| Subscription for <i>Madras Journal of Co-operation</i> | ... 7,985 15      | Paper etc.                                                                       | ... 8,844 13      |
| P. F. Loan recovered                                   | ... 235 0         | Cost of paper for publications                                                   | ... 5,968 12      |
| Interest on investment realised                        | ... 2,337 12      | Royalty paid for publication                                                     | ... 250 0         |
| Miscellaneous Income (As per Statement No. III)        | .. 57,085 13      | Printing charges incurred                                                        | ... 4,520 8       |
| Interest from T. U. C. S                               | ... 6 13          | P. F. Loan issued to the Staff                                                   | ... 102 0         |
| Adjusting Heads:                                       |                   | Miscellaneous payment (Establishment and contingencies as per Statement No. III) | ... 40,856 0      |
| Due to Society                                         | ... 3,716 4       | Adjusting Heads:                                                                 |                   |
| Due by Society                                         | ... 9,420 6       | Due to Society                                                                   | ... 3,260 8       |
| Investments Withdrawn:                                 |                   | Due by Society                                                                   | ... 15,789 12     |
| P. F. of ex-staff invested in P. D. Account withdrawn  | ... 1,183 13      | Investment Made:                                                                 |                   |
| M. S. C. Bank: Account No. I                           | ... 49,187 11     | T. U. C. S. Shares                                                               | ... 6 13          |
| Account No. II                                         | ... 10,852 5      | Library Books purchased                                                          | ... 522 11        |
| Account No. III                                        | ... 10,538 5      | Furniture purchased                                                              | ... 30 8          |
|                                                        |                   | Production of films                                                              | ... 210 15        |
|                                                        |                   | M. S. C. Bank: Account No. I                                                     | ... 47,574 5      |
|                                                        |                   | Account No. II                                                                   | ... 10,363 13     |
|                                                        |                   | Account No. III                                                                  | ... 10,139 4      |
| <b>Total</b>                                           | <b>1,58,945 5</b> | <b>Total</b>                                                                     | <b>1,58,963 4</b> |
| <b>Opening Balance</b>                                 | <b>41 4</b>       | <b>Closing Balance</b>                                                           | <b>23 5</b>       |
| <b>Grand Total</b>                                     | <b>1,58,986 9</b> | <b>Grand Total</b>                                                               | <b>1,58,985 9</b> |

**STATEMENT No. II.—Liabilities and Assets.**

| LIABILITIES.                                   | At the end of the year. | At the beginning of the year. | ASSETS.                                                                    | At the end of the year. | At the beginning of the year. |
|------------------------------------------------|-------------------------|-------------------------------|----------------------------------------------------------------------------|-------------------------|-------------------------------|
| Provident Fund for Staff                       | Rs. A. 2,800 11         | Rs. A. 2,283 4                | Cash on hand                                                               | Rs. A. 9 11             | Rs. A. 7 3                    |
| Security Deposit from Staff                    | ... 270 8               | ... 265 5                     | Stamps                                                                     | ... 13 10               | ... 34 1                      |
| Share Capital                                  | ... 105 10              | ... 105 10                    | M.S.C. Bank Current Account No. I                                          | 6,726 12                | 8,340 2                       |
| Indian Co-operative Union due (Membership fee) | ... 150 0               | ... 11,639 0                  | Account No. II                                                             | 905 10                  | 1,394 2                       |
| Adjusting Heads (Due by)                       | ... 5,269 10            | ... 355 0                     | Account No. III                                                            | 3,213 6                 | 3,612 7                       |
| Library Depreciation Fund                      | ... 762 13              | ... 614 2                     | Other Investments:                                                         |                         |                               |
| Reserve for P. F. of Staff                     | ... 614 2               | ... 614 2                     | Xian Central Bank (Liquidated)                                             | 207 4                   | 207 4                         |
| Reserve for Xian Central Bank (Liquidated)     | ... 207 4               | ... 74,592 8                  | Shares in C.C.P. Works, Ltd.                                               | 1,000 0                 | 1,000 0                       |
| Capital Fund                                   | ... 89,315 13           | ... 74,592 8                  | Shares in Co-op. Fire and General Insurance Society                        | 100 0                   | 100 0                         |
| Balance as per previous year's Balance Sheet   | 74,592 8                |                               | Shares in T.U.C.S. Ltd.                                                    | 30 14                   | 24 1                          |
| Amount added this year                         | 14,723 5                |                               | Fixed Deposits:                                                            |                         |                               |
|                                                |                         |                               | In George Town Co-op. Credit Society: A/c. I.                              | 44,200 0                | 37,200 0                      |
|                                                |                         |                               | Do Do. A/c. No. II...                                                      | 10,800 0                | 7,800 0                       |
|                                                |                         |                               | In Madras Dt. Co-operative Central Bank: A/c. I.                           | 5,000 0                 | 5,000 0                       |
|                                                |                         |                               | Security Deposit of Staff                                                  | 270 8                   | 265 5                         |
|                                                |                         |                               | P. F. of Staff in P. D. A/cs.                                              | 3,416 13                | 4,083 3                       |
|                                                |                         |                               | P. F. Loan outstanding                                                     | 207 0                   | 340 0                         |
|                                                |                         |                               | Interest on investment accrued                                             | 1,667 11                | ...                           |
|                                                |                         |                               | Value of furniture less depreciation (Rs. 255-10-0)                        | 2,300 14                | 2,526 0                       |
|                                                |                         |                               | Value of Propaganda materials and films less depreciation (Rs. 2,170-14-0) | 8,683 7                 | 10,643 6                      |
|                                                |                         |                               | Magic Lanterns less depreciation (Rs. 38-2-0)                              | 152 6                   | 190 8                         |
|                                                |                         |                               | Library books                                                              | 4,078 2                 | 3,555 7                       |
|                                                |                         |                               | Value of publications                                                      | 116 0                   | 116 0                         |
|                                                |                         |                               | Closing stock: Rs. A.                                                      |                         |                               |
|                                                |                         |                               | (a) Propaganda materials                                                   | 218 12                  |                               |
|                                                |                         |                               | (b) Publications for sale                                                  | 1,847 6                 | 5,448 11                      |
|                                                |                         |                               | (c) Value of paper                                                         | 3,382 9                 | 2,005 7                       |
|                                                |                         |                               | Adjusting Heads: (Due to)                                                  | 947 12                  | 1,403 8                       |
| <b>Total ...</b>                               | <b>99,496 7</b>         | <b>89,854 13</b>              | <b>Total ...</b>                                                           | <b>99,496 7</b>         | <b>89,854 13</b>              |

STATEMENT No. III—Details of Miscellaneous Income and Expenditure—1952-53.

| INCOME.                                                                                                       |           | EXPENDITURE.                                                                |            |
|---------------------------------------------------------------------------------------------------------------|-----------|-----------------------------------------------------------------------------|------------|
|                                                                                                               | Rs. A.    |                                                                             | Rs. A.     |
| 1. <i>Annual Contribution:</i>                                                                                |           | 1. <i>Madras Journal of Co-operation:</i>                                   |            |
| (a) Current                                                                                                   | 6,938 0   | (a) Refund of subscription                                                  | 15 0       |
| (b) Arrears                                                                                                   | 730 0     | (b) Cost of Blocks and Miscellaneous items                                  | 159 12     |
| 2. <i>Madras Journal of Co-operation:</i>                                                                     |           | 2. Reading Room: (Subscription to dailies)                                  | 121 0      |
| (a) Recovery of postage                                                                                       | 5 9       | 3. <i>Miscellaneous expenses:</i>                                           |            |
| (b) <i>Advertisement Charges:</i>                                                                             | 2,011 15  | (a) Office Printing                                                         | 629 13     |
| i. Current 1,695 5 }                                                                                          |           | (b) Repairs of furniture                                                    | 293 9      |
| ii. Arrears 316 10 }                                                                                          |           | (c) Trade discount                                                          | 117 1      |
| 3. <i>Grants and Contributions:</i>                                                                           |           | (d) Tea Parties etc.                                                        | 1,145 7    |
| (a) M.S.C. Bank                                                                                               | 11,500 0  | 4. Examination expenses                                                     | 2,872 6    |
| (b) C.L.M. Bank                                                                                               | 500 0     | 5. <i>Office:</i>                                                           |            |
| 4. <i>Government Subsidy:</i>                                                                                 |           | (a) <i>Salary of Staff:</i>                                                 |            |
| (a) Salary of Manager                                                                                         | 4,050 0   | i. Manager                                                                  | 5,860 0 }  |
| (b) Library Grant                                                                                             | 95 0      | ii. Other Staff                                                             | 6,605 12 } |
| (c) Cost of Non-official lecturers                                                                            | 6,089 4   | iii. P. F. Contribution                                                     | 329 8 }    |
| 5. Recovery of Postage (Other publications)                                                                   | 239 10    | (b) Stationery                                                              | 673 0      |
| 6. Other items (Sale of old news paper etc.)                                                                  | 25 6      | (c) Telephone                                                               | 333 14     |
| 7. Examination fees collected                                                                                 | 6,882 8   | (d) Telegram                                                                | 20 0       |
| 8. <i>Office:</i>                                                                                             |           | (e) Bank Charges                                                            | 29 13      |
| (a) Telephone                                                                                                 | 0 8       | (f) M. O. Commission                                                        | 1 4        |
| (b) Bank Commission                                                                                           | 1 12      | (g) Rent                                                                    | 360 0      |
| (c) Contingencies                                                                                             | 6 4       | (h) <i>Postage:</i>                                                         |            |
| (d) Postage                                                                                                   | 18 0      | i. Office                                                                   | 815 14 }   |
| 9. T. A. realised                                                                                             | 67 12     | ii. Madras Journal of Co-operation.                                         | 442 15 }   |
| 10. <i>Conference:</i>                                                                                        |           | (i) Contingencies                                                           | 1,258 13   |
| (a) Delegate fee                                                                                              | 1,701 0   | (j) Conference lighting                                                     | 469 10     |
| (b) Board and Lodging fees                                                                                    | 2,250 0   | 6. T. A. for Meetings                                                       | 410 0      |
| (c) Donations                                                                                                 | 6,874 0   | (a) T. A. for E. C. Meetings                                                | 871 0 }    |
| 11. <i>Dividend on shares:</i>                                                                                |           | (b) T. A. for Conferences                                                   | 824 1 }    |
| (a) Central Co-op. Printing Works                                                                             | 31 4 }    | 7. <i>Subsidies paid to:</i>                                                |            |
| (b) Co-operative Fire and General Insurance Society                                                           | 5 0 }     | (a) Vernacular Journals                                                     | 2,500 0    |
| 12. Paper Account adjusted (for various publications)...                                                      |           | (b) Training Institutes                                                     | 2,000 0    |
| 13. Donation of Societies for films and Government Subsidy for films kept under adjusting heads, now released | 995 4     | 8. Propaganda Expenses                                                      | 1,052 3    |
|                                                                                                               | 6,066 13  | 9. <i>Conference:</i>                                                       |            |
|                                                                                                               |           | (a) Delegate fees expenses                                                  | 417 13     |
|                                                                                                               |           | (b) Boarding and Lodging expenses                                           | 4,364 12   |
|                                                                                                               |           | (c) Donation to Pachavappa's College                                        | 500 0      |
|                                                                                                               |           | 10. Cost of Non-official lecturers                                          | 6,089 4    |
|                                                                                                               |           | 11. Un-disbursed subsidy of non-official lecturers re-funded, to Government | 398 1      |
|                                                                                                               |           | 12. Paper used for Conference                                               | 230 4      |
| Total ...                                                                                                     | 57,085 13 | Total ...                                                                   | 40,856 0   |

Income and Expenditure for the year 1952-53.

| EXPENDITURE.                                                  | INCOME                                                        |
|---------------------------------------------------------------|---------------------------------------------------------------|
| To cost of opening stock                                      | By sale of publications                                       |
| To purchase of paper                                          | By Subscription for the <i>Madras Journal of Co-operation</i> |
| To printing charges                                           | By interest on investments                                    |
| To paper consumed for publications                            | By Miscellaneous Income                                       |
| To Royalty                                                    | By closing stock                                              |
| To Establishment and contingencies etc.                       |                                                               |
| To Indian Co-operative Union (Membership fee)                 |                                                               |
| To Reserve for Xian Central Bank                              |                                                               |
| To Library reserve                                            |                                                               |
| To Depreciation Account                                       |                                                               |
| Excess of Income over expenditure transferred to Capital Fund |                                                               |
| Total ...                                                     | Total ...                                                     |

23

80,398 8

**Madras State Co-operative Union—Bifurcation**  
**Recommendations of the Partition Sub-Committee and the Executive Committee**

"Recommended a division on a ratio of 2 : 3

2 for Andhra Area

3 for Residuary Area.

*Library*: The Committee feels that it is not advisable to divide the library. It is proposed to purchase the duplicate copies to the value of the proportion agreed upon.

*Furniture, Apparatus & Fittings*: Either cash or furniture itself to be transferred (depreciation value to be taken). Option to be given to the Andhra Desa Co-operative Union.

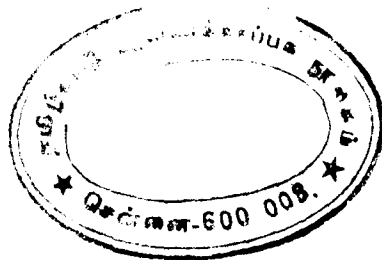
*Staff*: 1. The existing two Attenders to continue in the Residuary Madras State Co-operative Union.

2. Clerk Mr. M. Gopalam to be transferred to the Andhra Desa Co-operative Union,

3. Accountant Mr. M. S. Rajagopalan to be retained in the Residuary Madras State Co-operative Union.

4. Mr. T. Viswanatham, Manager-cum-Associate Editor will continue in office till the end of December 1953. As the Government is not continuing the subsidy notice of termination of appointment to be given to him informing him terminating appointment on 31-12-1953 "

"Partition Sub-Committee recommendations recommended to the Board. The proportion of the 2/5ths allotted to the Andhra Desa Co-operative Union will include the share of old Bellary District also."



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: 8230

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

LULU, MYLAPORE, MADRAS-4.

*President:*

SRI BHOGARAJU VENKATARAMAN.

|                    |     |                |
|--------------------|-----|----------------|
| 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.         | 14,24,300   | Cash on hand and balance with Banks | 5,90,    |
| Reserve and other Funds        | 18,22,631   | Loans to Primary Banks              | 3,96,42. |
| Debentures                     | 8,50,16,500 | Sinking Fund Investments            | 77,5,    |
| Deposits, Loans and Overdrafts | 29,63,348   | Other Investments                   | 23,3,    |
| Sundry Liabilities             | 4,20,288    | Sundry Assets                       | 7,2,     |
| Overdue Interest not realised  | 40,432      |                                     |          |
| Net Profit                     | 3,64,863    |                                     |          |
| Total                          | 4,20,51,862 | Total                               | 4,20,5   |

O. V. CHINNASWAMY,  
*Secretary.*