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CONTENTS

	PAGE
I THOUGHT FOR THE MONTH	387
II EDITORIAL NOTES	388
III TEN POINTS FOR CO-OPS.	391
<i>Special Articles</i>	
IV THE AUDITING SYSTEM OF THE SWEDISH CO-OPERATIVE MOVEMENT— ERIK WINGARD	393
<i>Conferences and Meetings</i>	
V PROCEEDINGS OF THE MEETING OF THE MADRAS STATE CO-OPERATIVE ADVISORY COUNCIL HELD ON 29-12-1954...	403
VI PROCEEDINGS OF THE OPENING CERE- MONY OF THE NEW HALL, PUBLIC LIB- RARY AND READING ROOM OF THE THENI CO-OP. MARKETING SOCIETY, THENI, MADURAI DT.	404
VII PROCEEDINGS OF THE GOLDEN JUBILEE CELEBRATIONS OF THE T.U.C.S. LTD., ON 15-1-1955	406
<i>G.Os. & Circulars</i>	
VIII G.Os. AND CIRCULARS	412
<i>Co-operative News and Notes</i>	
IX NEWS AND NOTES	415

The George Town Co-operative Bank, Ltd., No. 8512.

(The Premier Urban Bank in Madras State)

No. 29, Krishnappa Naicken Agraharam Street, Madras-1.
(Registered in 1923).

PRESIDENT :
DR. P. NATESAN, M.B., B.S.,

Authorised Capital	Rs. 3,00,000.
Working Capital	Rs. 32,00,000.

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MENTIONED BELOW.

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1 Year & up to 8 years.	5 "

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(ii) Recurring.	6½ "
(iii) Savings-members.	2 "
(iv) do non-members.	1½ "

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Further particulars can be had from the undersigned :

S. T. THYAGARAJAN,
SECRETARY.

THE Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

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Thought for the Month

Consumers' Co-operation is regarded as a revolutionizing principle of human relationships as well as a practical economic method. Its immediate purpose is to provide the consumer with quality goods more economically, but its ultimate and more important aim is to create a new economic and social order with the consumer interest predominant. It is an independent social movement with a justification of its own. The motive for supporting it arises out of social idealism as well as out of practical consumer interests. Its success is measured as much by the quality of human relationships that it promotes as by its business efficiency.

From "Consumer's Co-operatives in the North Central States".

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a more active and extensive participation of the State itself under Co-operative enterprise may lead to success. Apart from running counter to the principles of voluntarism and democratic management, extensive State participation may lead to excessive interference in the day to-day administration of the respective Co-operative Organisations. Moreover, the whole question of State partnership in Co-operation has to be viewed in the light of the relative strength and stability of the Co-operative structure. In advanced states like Bombay and Madras, there is a very real need for a flexible policy. Availability of larger funds, better methods of financing, related more to the credit worthy uses rather than to the credit worthy persons, may be the need of advanced States, rather than more State participation. But on the whole, the spirit of the resolution in stressing the need to provide copious rural credit, through co-operatives is indeed very healthy and refreshing.

The recent fall in agricultural prices has caused considerable concern. If the target of increased production has to be maintained, the agriculturists should be assured of economic farm prices. Otherwise, the incentive to increased production would go. The stabilization of agricultural prices is indeed a very urgent problem, in order to sustain the purchasing power of the rural folk in the interests of the general well-being and maximum agricultural production. It has been urged that the Government should devise suitable price-support schemes. Shri Nanda said that the decision of the Government to purchase jowar and maize in areas, where prices had fallen excessively provided a measure of relief to the agriculturists. The facilities for export of Tapioca from Travancore-Cochin is yet another measure. The scheme for the development of Warehouses throughout India, as envisaged by the Rural Credit Survey Report might create ample storage facilities and thus cushion off the shock of agricultural price declines. But it should be made clear, that the Government must take the main responsibility for the stabilization of agricultural prices and must pursue the objective of realising a reasonable price stability.

The acceleration of the pace of land-reforms and the implementation of the recommendations of the Planning Commission in this regard under a phased programme is a vital task, to which the Congress has addressed itself. The passage of land reforms in the several States has certainly helped the tiller of the soil to come into his own and has removed the several hurdles inherent in the feudal systems of land tenure like the Zamindari etc. It has given the tiller a

new interest in the land. But mere redistribution of land, without improvement in the methods of cultivation cannot bring about a rise in the standard of living of the peasant. Simultaneous with the attempts at land reforms, like the fixation of land ceiling etc. determined efforts should be made to popularise Co-operative farming techniques. In fact, as suggested by Sri Nanda, there is an imperative need for chalking out a two-year programme for bringing the cultivable lands in the country under co-operative farming. We would suggest that the 'Moshav Ovdim' type of small farmer settlements might fit in well with the small peasant economy of India.

The Congress has done a good job in emphasising the triple needs of a renascent rural India—copious credit, economic farm prices and phased land reforms and thus presenting a balanced view of the relevant facts and requirements of the rural sector.

Ten Points for Co-ops.

1. INCREASE MEMBERSHIP. A Co-operative is alive only when it is growing. Membership drives should not only be put on at periodic times, but every day should be a new member day, with every employee and every member soliciting new members as they meet them.
2. INCREASE SERVICES. New services should be added as rapidly as possible, after thorough investigation, both in order to better serve the members, and also to offset the constantly reducing margins on the older lines handled.
3. INCREASE CAPITAL. The Capital of a co-operative should be increased until the co-operative is out of debt and the members are full owners, and then should continue to be increased still further to provide for the financing of additional new services. There is no other investment equally as sound today as investment in a co-operative.
4. INCREASE RESERVES. A large percentage of the savings made by a co-operative should be retained, rather than paid out in patronage returns. They may be retained in the form of general reserves to provide against emergencies, and as patrons equity reserves to rapidly supply additional capital.

stage, and had not yet reached such dimensions as to permit of a more highly developed organization. By 1920, however, conditions had advanced so far that it was considered necessary to search for a suitable form of organization for the Audit Department. KF's Administrative Council appointed a committee which submitted to the 1920 Congress proposals for certain changes in the structure of the Auditing Department. After preliminary consideration by the Congress, the committee's recommendations, together with certain addenda made by the Administrative Council and the Board, were remitted to the district meetings. The new proposal was finally adopted by the 1921 Congress, coming into force on January 1, 1922.

The new organization left the provisional direction of the auditing work to the Audit Department, as a branch of the Organization Department. The chief of the Auditing Department represents the auditing system on KF's Board, while the immediate supervision of the auditors themselves is exercised by the district committees. The Auditing Department thus maintains contact with the auditors regarding the actual auditing work in the same way as before, and the auditors receive from the Department, the directions and instructions, which are necessary for the conduct of the work in the general and for the treatment of special cases. On the other hand, the Audit Department is released from supervising the auditors' work where the district committees are better able to maintain routine contacts. The planning and checking of itineraries, the detailed examination of auditors' travelling expenses, and other work of a similar nature is thus performed by the district committees, which watch over the general auditing work in their respective areas. The auditors themselves remain of course in the service of KF., but as they are subject in other respects to the authority of the district committees, the latter are empowered to appoint the auditors. To this there is one qualification, i.e. that when new appointments are to be made, the Auditing Department, in order to ensure a satisfactory investigation of the professional qualifications of the candidates, shall scrutinize the applications and submit proposals comprising a maximum of three candidates, from which the district committees are obliged to make a selection.

In organizing the audit machinery it has been assumed that one auditor should be appointed for each of the districts, into which the country has been divided. This was deemed necessary in view of scope of the auditing work and because auditors would not only be

concerned with the actual scrutiny of the co-operative societies' accounts but would also be expected to engage in the organizational and instructional work carried on within the district.

It was also assumed that the auditors would have their permanent offices at KO-OPRRATIVA FORBUNDET's sales offices as far as this was practicable. Besides certain administrative advantages such as the better utilisation of office premises, clerical staff etc., this would give the auditors a more intimate knowledge of that part of the societies' work and activity which is reflected in their relations with the sales offices. However, as there are only 9 sales offices and 24 districts, this system has not been possible in practice. In some districts, therefore, the auditor's office is situated at one of the large co-operative societies in the district, the auditor at the same time having access to the services of the clerical staff of the society.

On account of the way in which auditing is organized, district auditors are as previously stated not appointed by KF, but by the district committee. This gives rise to a problem, which affects the auditors' working conditions to a certain extent. The district committees, which consist of five members, are elected from among interested laymen or co-operative officials. Such laymen are of course, generally members of the Board of some local co-operative society. The district auditor may thus come to be appointed by the Board members and officials of the societies, whose books he has to examine. However, as according to Swedish law, no auditor is allowed to examine the accounts of a business, if he is a servant of that business or of one of the members of its Board, special arrangements have had to be made in order to meet this difficulty. In the district which he serves, an auditor is thus not permitted to examine the accounts of local societies whose Board members are also members of the district committee. Their audit is instead performed by the district auditor from another, usually adjacent district. As the number of the societies vary from district to district, attention has to be paid to the number of "district committee" societies the auditors are required to serve. In certain large areas auditors may thus be exempt from such duties in respect of other districts; while auditors in smaller districts may be required to audit the "district committee" societies in two or even three other districts.

As the foregoing sketch shows, the Auditing Department is not responsible for the auditor's work, but is charged with supervising

the manner in which audits are performed and with giving advice and instructions to the auditors.

The Audit Department is in the charge of a manager who is responsible to that member of the Board of KF, in whose field of competence, the department is included. Having previously being attached to the Accounts Department for some time, the Audit Department has since 1938 been a part of the Organization Department.

In addition to supervising the work of the district auditors and making proposals to the district committees regarding suitable candidates, the Department also performs certain duties directly connected with the actual auditing work.

It is thus the duty of the Department to make a monthly examination of an abstract of the accounts, which must be submitted by every society affiliated to the department before the 25th of the month following that, in which the accounts were made up. The Department must also be able to refer societies who need expert help in controlling their meat packing plants, bakeries or other special enterprises, to the appropriate advisers on the staff of KF.

The actual organization of the auditing work in the Co-operative Societies is based on a special paragraph in KF's statutes, which has been approved by the societies. According to this paragraph it is the duty of the district and local auditors jointly to :

- (a) make a legal audit and submit a report thereon;
- (b) see that the decisions of the Board are not contrary to the law or the statutes of the society, and that the society's assets are not booked at more than their real value;
- (c) recommend or reject acquitting the Board of liability for the past year's management.

It is the duty of the LOCAL auditors (i.e. the auditors elected by the local society's members from among themselves) to;

- (a) ensure that all income and expenditure is entered in the cash-book daily;
- (b) ascertain that the statements in the cash-book are correct and supported by the necessary vouchers;
- (c) check the cash in hand at least once a month and make sure that it agrees with the balance shown in the cash-book.
- (d) generally see that good order prevails in the routine management of the property of the society.

In a few of the largest societies a special accountant is appointed who receives his instructions from the auditors.

It is the duty of the DISTRICT auditors to :

- (a) see that the accounts of the society are kept in a legal, systematic and clear manner;
- (b) examine the management of the society from a professional and co-operative viewpoint, and during his visits to inform the Board of the society of his findings.

The most notable feature of this paragraph is that it systematically divided up the auditing of the societies' accounts, making the local auditors elected by the societies' annual meeting responsible for examining the books and for the routine audit, while the district auditors examine the work of the societies during the entire year as shown in reports and other information submitted by the societies. During their visits they must also scrutinize the entire work of the co-operative societies from a practical and co-operative viewpoint. The district auditors have thus come to be instructors and advisors to the local auditors, for to a great extent, their work is dependent upon the care and precision of the local auditors in their routine examination of the societies' books.

In order to maintain the necessary contact between the societies and the auditors, a system of reports has been introduced. At the end of each month it is the duty of every manager to prepare a balance extract from the various accounts in the ledger, and a special statistical report regarding the work of the society from the beginning of the financial year and to the end of the month. This monthly report must contain information regarding turnover, stock value, and cost developments, both in respect of individual shops and the society as a whole. The report must also contain a specification of major cost items such as wages, rent, taxes, etc. Further the report must include a special summary result estimate for the period in question. This result estimate is based on the accounts of the society together with the stock value submitted by the stock checkers and included in the statistical report. Information should further be given regarding solvency, outstanding claims and average working costs, etc.

When the reports have been prepared, they are examined by the local auditors, subsequent to their examination of all the accounts of the society up to the end of the month. (The cash in hand is checked up to the day on which the report is examined.) When the auditors have scrutinized the reports and found them satisfactory, they are

signed, after which they are sent to the Audit Department in duplicate. One copy is then sent from the Department to the district auditor concerned, while the other is retained by the Department, where the figures are again checked. If a technical error or any other cause for comment is found, the district auditor, or in certain cases the Board of the society, is informed direct. The copy of the report sent from the Audit Department to the district auditor will be examined by the latter, and if he finds any cause for comment, he must take immediate steps. This continuous system of reports brings the Audit Department and the district auditors always up-to-date with developments in the various societies. If a tendency to a serious decline in turnover is noted, or the solvency status of a society gives rise to anxiety, the auditor or the Audit Department is thus able to get into touch with the Board of the society before the working year is at an end, and before it is too late to make improvements.

According to their instructions, district auditors must visit each society at least twice yearly. One of these visits should coincide with the time for closing the accounts, and the other should take place during the following half year. It is moreover stipulated that one visit shall be paid without warning. In addition to the two official visits, the auditor must also visit the society whenever circumstances so demand. It is his duty to see that the books of the societies are kept in a legal, systematic and clear manner, and if the society has several different sales departments, that their individual results are also clearly set out. He must also ensure that the internal control of cash in hand, stocks and other assets is satisfactory. During the final audit he must be convinced that the local auditors have properly fulfilled their duties in examining the accounts and also make sure that :

- (a) the liabilities for the foregoing year are correctly booked ;
- (b) no liabilities have been carried forward to the accounts of the current year ;
- (c) depreciation has been made according to rule ;
- (d) the assets included in the society's balance sheet are not overvalued ;
- (e) all insurances are adequate.

It is also his duty to ascertain that securities are in safekeeping and to examine the savings department branch of the society, as well as KF's savings department branch, if any.

During his official visit the auditor will devote his attention principally to examining the society's stocks, sales conditions, stock and cash control, and the general management of the business. He must also visit the various shops of the society in order to gain an impression of the conditions prevailing there and become acquainted with the staff of the society and the problems which may arise at the different shops.

The auditor must also go through the accounts for a given period together with the local auditors, in order to convince himself that they are well acquainted with their work, and to instruct them where necessary.

After making his audit, the district auditor will prepare a special report on his visit on lines drawn up by the Audit Department.

Of this Report, the District Auditor retains one copy, the original being sent to the Audit Department. There it is used in making up the tables which are prepared every year by the Department.

When visiting the Societies the district auditor must hold conferences with the society's committee, and give them an account of his observations regarding the society's management in general, besides interesting the committee in dealing with the questions remitted to the societies by KF's Congress, district conference or area meetings.

The district auditor is, moreover, obliged to assist the society with advice and instructions regarding the society's management in so far as his time and abilities permit. This also means that besides making the obligatory visits twice a year, he may have to make frequent extra visits to the Societies. This applies particularly to societies whose administration and financial position are less satisfactory, or which do not follow the general principles and practices of the Movement. In the case of societies, which the auditor has occasion to watch with special vigilance, he must also make up monthly tables of their turnover and expenses figures. The district auditor, incidentally, makes up such statements for all societies every year, and as regards the turnover in particular, every month. Over and above his duties proper as auditor for the district, the district auditor also acts as the secretary and executive officer of the District Committee. The District Committee appoints a special Executive, with the duty of continually watching developments, and the auditor is obliged to submit travelling and work reports each month to this Executive. Similar reports have also to be submitted to KF's Audit Department.

THE MADRAS JOURNAL OF CO-OPERATION

It is the duty of the district auditor to pay attention to plans for co-operative expansion in his district and to keep the District Committee acquainted with them. Furthermore, he must help KF's Secretariat in planning lecture tours and other propaganda work in his district, besides planning and arranging staff meetings, study group activity, etc. To a large extent he also acts as a link between KF's school "Var Gard" and the employees or officials who are to take part in the courses arranged there.

At the Annual District Meeting, it is the duty of the District Auditor to give a short resume of the activity of the societies in the district during the past working year.

The salary of the district auditor is settled by the District Committee in consultation with the Audit Department. For travelling and incidental expenses, the auditor is allowed compensation on a fixed basis. When the district auditor uses his own car for official purposes (as almost always happens in normal times) he is allowed appropriate expenses on a basis approved by KF's Administrative Council and Board. The district auditor's itinerary and travelling expenses and all other expenditures on behalf of the district are scrutinized by the Executive of the district committee, whose chairman also countersigns all vouchers.

It is also incumbent on the district auditor to keep the books of the district in accordance with a given method of procedure. In return for the auditing work, the societies affiliated to the audit department have to pay certain fees. These are as follows :

Turnover up to 150.000 kr.	1 kr. per 1.000 kr.
„ between 150.000 and 250.000 kr.	Basic fee 150 kr. + 60 ore per 1000 kr above 150.000 kr.
„ „ 250.000 „ 450.000 „	„ „ 210 kr. + 30 ore per 1000 kr above 250.000 kr.
„ „ 450.000 „ 1.000 000 „	„ „ 270 kr. + 20 ore per 1000 kr above 450 000 kr
„ „ 1 000.000 and upward	„ „ 380 kr. + 3 ore per 1000 kr above 1.000.000 kr., still more than 1000 kr.

The Department charges the societies annually and credits the proper district with the same amounts.

THE AUDITING SYSTEM OF THE SWEDISH CO-OP. MOVEMENT

In addition KF pays the districts auditing grants on the following basis :

3.000 kr. for the first	1.000 kr. in auditing fees
2.500 do second	do
2.000 do third	do
1.500 do fourth	do
1.000 do fifth	do
500 do sixth	do
400 do seventh	do
300 do eighth	do
200 do ninth	do
100 do tenth	do

For every 1000 kr. in auditing fees over 10.000 kr. 100. kr. is paid to the districts in auditing grants.

Of the 25 ore per individual member paid annually in membership fees by the societies affiliated to Kooperativa Förbundet, 10 ore is returned to the respective districts.

The costs of the Audit Department are met by an annual budget fixed by KF's Board. The Board having granted the necessary funds, it is the duty of the head of the Department to ensure that the costs are kept within the specified limits. It is also incumbent on the Audit Department to watch that the auditing costs within the districts are restricted to the limit of the allocated funds.

The Audit Department is responsible for seeing that a panel of suitable candidates for vacant positions as auditors is submitted to the district committees. This makes it necessary for the Department always to have some suitable person or persons employed for training as district auditors. In general auditor-trainees are drawn from among younger managers, who have shown such knowledge and ability in their practical work that they can be assumed to be suited for auditing work. During recent years auditors have also been appointed from among persons who, though not have been managers, have passed the two-year training course at "Var Gard" for assistants, i.e. the course for assistants to Executive Officers of larger societies with generally more than 2,000,000 kr. in turnover.

Every year the Department summons the district auditors to a general conference. This conference, which is usually held at "Var Gard" generally goes on for a week, and it gives the auditors

THE MADRAS JOURNAL OF CO-OPERATION

an opportunity of comparing notes about their work in their respective districts. In addition, lectures and discussions are held on various central co-operative questions, usually with members of KF's Board or departmental heads as lecturers or opening speakers. At the same conferences, instructions and principles are announced regarding the subsequent work of the auditors.

For each society the Audit Department maintains a statistics card on which are annually entered all figures of major importance extracted from the annual reports of the district auditors. This card thus registers turnover figures, the distribution of assets and liabilities (for instance premises, stocks, liquid assets, shares, reserves, loans etc. together with surplus) wages, expenses, membership members' occupations, type of statutes, size of dividend, etc.

In collaboration with the State Board of Social Affairs, a special annual Statistical Review is prepared on the basis of the information supplied by the societies and the district auditors concerning the societies' activity. This Review is usually ready by the time of the Annual Congress. Other statistical summaries are also drawn up annually, e.g. on leakage, purchases from KF and rate of turnover.

KF's employment agency is also associated with the Audit Department. The principal task of this agency is to find suitable posts for managers, shop managers and assistants, and to advise societies on the filling of such vacancies. With regard to managerial posts the agency usually draws up a list of applicants (generally 3) who are best qualified for the vacant position. Ordinary vacancies are generally advertised in one or other of the Movement's internal publications.

With the aid of the societies' statistics and information supplied by the auditors, the agency maintains a card-index of all managers and assistants.

The agency supplies its services free of charge, but advertisements are debited to the societies by the respective publications.

Madras State Co-op. Advisory Council meets.

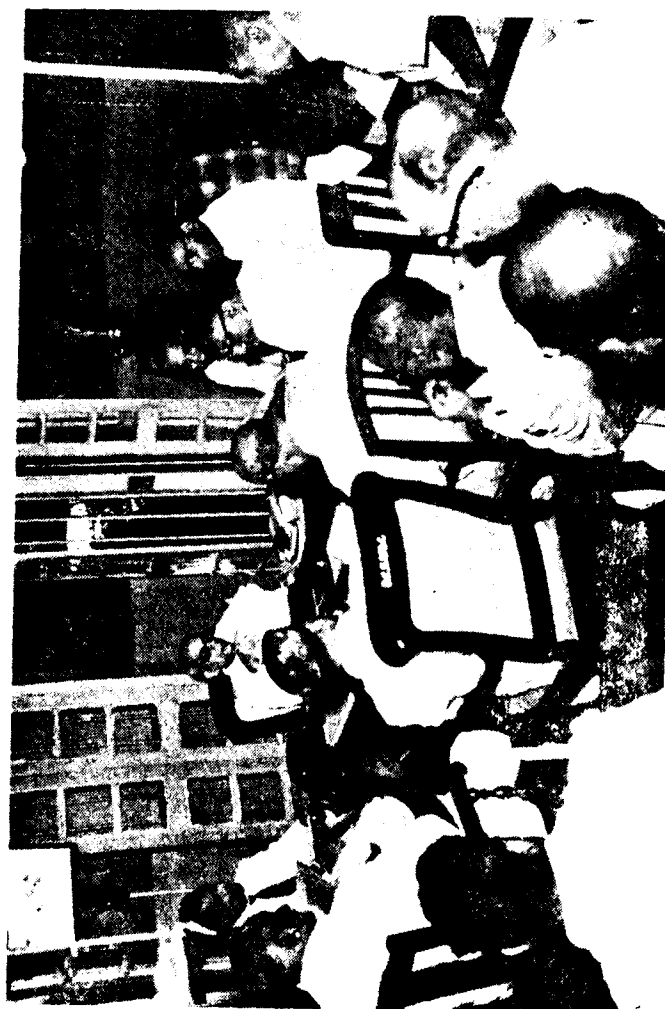


Photo taken on the occasion of the Madras State Co-operative Advisory Council meeting held on 29-12-54. Sri A. B. Shetty, presided.

CONFERENCES AND MEETINGS

Proceedings of the Meeting of the Madras State Co-operative Advisory Council held on 29-12-54.

A meeting of the Madras State Co-operative Advisory Council was held on 29-12-1954 at 11 A.M. in the office of the Registrar of Co-operative Societies, Madras with the Minister for Co-operation, Sri A. B. Shetty in the chair. The following members of the Council were present :

1. Sri M. D. Kumaraswami Mudaliar, President, The Madras State Co-operative Bank, Madras. 2. Sri B. Venkataratnam, President, The Madras Central Land Mortgage Bank, Ltd., Madras. 3. Dr. P. Natesan, M.B.B.S., General Secretary, The Madras State Co-operative Union, Madras. 4. Sri R. Kanaka Sabhai, Chidambaram. 5. Sri V. K. Eradi, B. A., B. L., Kozhikode. 6. Sri A. Palaniappa Mudaliar, M.A., Registrar of Co-operative Societies, Madras. 7. Sri S. Nithyanandam, B.A., (Hons). Joint Registrar and Secretary to the Council.

The Council, after discussing all aspects of the scheme approved the Registrar's proposal for the formation of Rural Co-operative Banks as an experimental measure, in select rural or semi-urban centres in each Deputy Registrar's Circle, on the basis of liability limited by guarantee (viz, instead of the liability being limited to the paid-up share capital of members, it will be limited to five times their subscribed share capital), with the twin objects of mobilising rural savings and dispensing medium-term credit, produce loans, and jewel loans to the agriculturists.

The Council also agreed to accept a sum of Rs. 6 lakhs out of the medium term loans of Rs. 24 lakhs offered by the Government of India under the Five Year Plan for disbursement to the ryots of this State through the agency of Co-operatives in 1954-55 and resolved to recommend to the Government the reintroduction of the scheme for intensive supervision and reorganisation of agricultural credit societies with a view to bringing 30 per cent of the rural population into the Co-operative fold and the sanction of subsidy to Central Co-operative Banks for appointment of additional staff of supervisors at the rate of one supervisor for every 15 rural credit societies.

Another proposal considered by the Council related to the exemption of the employees of land mortgage banks and Central Co-operative Banks etc. from the operation of the provisions of Rule XVIII-A of the rules framed under the Madras Co-operative Societies Act. The Council accepted the need for granting exemption in such cases.

**Proceedings of the opening ceremony of the
New Hall, Public Library and Reading
Room of the Theni Co-op. Marketing .
Society, Theni, Madurai Dt.**

The Minister for Co-operation declared open on 3-1-55 in the midst of a large gathering of Co-operators in Theni in Madurai District, the New Hall and the Public Library and Reading Room constructed by the Theni Co-operative Marketing Society at an estimated cost of Rs. 10,000. Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Sri M. D. T. Kumaraswamy Mudaliar, President of the Madras State Co-operative Bank and Sri T. L. Srinivasa Ayyengar, Deputy Registrar of Co-operative Societies, Dindigul were present. Sri A. S. Subba Raj, M.L.A. presided. The Theni Co-operative Marketing Society has 7879 individuals and 61 primary societies as members on its rolls, with a share capital of Rs. 43,000. It owns two godowns and issues loans to members on the pledge of produce and undertakes the marketing of their produce. The loans issued in this way amount to Rs. 1.5 lakhs. It has also undertaken the export of the surplus agricultural produce of the members such as chillies etc. The Minister paid a tribute to the working of the society and said that the society was an outstanding example of successful co-operative marketing conferring great benefits on the agricultural producers. During the last 19 years, it had made steady progress. The society proposes to put up processing plants, such as rice-hullers, decorticators bone-meal digester, etc., at centres like Theni, Chinnamanur etc. to enable the ryots to get a greater return for their produce. He added that the Planning Commission has strongly recommended the strengthening of marketing organisations by providing assistance for construction of godowns and ware-houses and the establishment of processing plants. As a result of the execution of the Five-Year Plan, Agricultural production had increased and the prices of agricultural produce tended to fall. The Minister observed that the sale of produce will help the ryots to get a fair price for their produce and save them from the exploitation of middlemen. He referred to the recommendations made in the report of the All-India Rural Credit survey recently published by the Reserve Bank of India in respect of co-operative marketing and said that the valuable suggestions made in the report will soon be considered and the Government will give at present subsidies and loans for the construction of godowns. Processing is done in a few marketing societies, such as coffee and

PROCEEDINGS OF THE O. C. OF NEW HALL OF THENI CO-OP. M. SOCY.

arecanut curing, cotton ginning and groundnut decorticating. Marketing societies help the members to find an export market for certain commodities like onions, chillies, jaggery etc. The Minister observed that the Government are contemplating the expansion of co-operative marketing to afford greater facilities to ryots in the matter of warehousing, processing and sale etc.

The provision of a public library and reading room, he added, by the Theni Co-operative Marketing Society is a very useful service for educating the people, keeping up the literacy acquired at School. The Library movement he said, in recent times had made phenomenal progress in western countries. In Madras, the Libraries Act was passed about half a dozen years ago. In each district a local library authority is now engaged in establishing public libraries in urban and rural areas. The State contributed a sum equal to the library cess collected in each district. The library can be made into a social centre to attract people and foster in them a love of reading. The creation of a library service and the spread of the library movement is one of the achievements of the popular Government. He wished the library opened by him a long career of usefulness to the people in Theni and round about villages and hoped that the library would be made best use of by the public.

Sri M. D. T. Kumaraswamy Mudaliar unveiled the portrait of Sri S. A. Rangaswamy Chettiar, the former President of the Theni Co-operative Marketing Society. Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras unveiled the portrait of Sri V. Alagappan, Secretary of the Madura District Co-operative Central Bank. In unveiling the portrait of Sri V. Alagappan, the Registrar referred to the services rendered by Sri Alagappan in various capacities and as Secretary of the Madurai District Co-operative Central Bank. In the course of his speech, he referred to the working of the agricultural credit societies and to the new proposals to form rural banks in select centres in the State, with a view to enable them to dispense medium-term credit and also to mobilise rural savings. He appealed to co-operators to make these institutions a success.

The Minister later visited Chinnamanur 15 miles from Theni and met the promoters of the rural bank to be started in that place. Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies explained the details of the proposal and appealed to them to raise adequate share capital and to work the scheme successfully. The promoters evinced a keen enthusiasm in the proposal and assured the Minister that they would work the proposed society as a model for other rural banks.

Proceedings of the Golden Jubilee Celebrations of the T. U. C. S. Ltd., on 15-1-55.

Mr. C. D. Deshmukh, Union Finance Minister, presiding over the golden jubilee of the Triplicane Urban Co-operative Society on 15-1-1955 said that he was convinced that the co-operative movement must have an important role in the welfare economy that they were trying to fashion for our country. He added that encouragement and development of co-operative organisation, therefore, has been and would always be one of the chief objectives of their policy.

The function was held at the head office of the T. U. C. S. in Triplicane and attended by Mr. A. B. Shetty, Minister for Health, Mr. P. Kakkan, President, TNCC and a number of officials and non-officials.

The programme commenced with prayer by the pupils of Mahatma Seva Sangham.

Mr. S. Muthukrishnan, President of the Society welcoming the gathering outlined the growth of the institution and said the blueprint of any planned economy would be incomplete without the due recognition of the rights and interests of the consumer. Co-operative farming, co-operative marketing and co-operative finance and co-operative distribution, both retail and wholesale, could alone effectively prevent a Welfare State from becoming totalitarian.

Mr. E.K. Natesa Sarma presented a welcome address in Tamil and Mr. A. Ramakrishna Dikshitar in Sanskrit to Mr. Deshmukh.

Mr. T. P. Gopalakrishnan read messages wishing the function success received on the occasion from Dr. S. Radhakrishnan, Mr. K. Kamaraj Nadar, Chief Minister of Madras, Dr. C. P. Ramaswami Aiyar, Mr. P. V. Rajamannar, Chief Justice of Madras, Mr. Kasturi Srinivasan, Dr. U. Krishna Rao, Mr. V. Ramaswami Dikshitar, founder-member of the Society and others.

Mr. K. Veeraraghavalu, Vice-President of the Society, read the annual report. He said that if total exemption could not be given, it was their earnest desire that they should be exempted from payment of sales tax at least on sales of foodgrains. The unspent balance of the Reserve Fund belonging to the Society estimated at Rs. 4.2 lakhs was proposed to be utilised for the expansion of the oil mills, purchase of buildings for some more branches and construction of two more godowns. He suggested that the Common Good Food set

PROCEEDINGS OF THE GOLDEN JUBILEE CELEBRATIONS OF THE T.U.C.S.

up by the institution could be purposefully utilised by starting a school or college for imparting training in salesmanship, a research institution for promotion of consumers' interests and for evolving ideal democratic institutions on the model of the T.U.C.S. He also stated that the immediate problems facing them were expansion of the oil mills to meet the growing demand for pure gingelly oil, revision of the rules relating to the constitution of the Society to make it up-to-date and making permanent arrangements to procure Paddy at Nellore and boiled rice in Tanjore area.

Mr. Deshmukh's Speech

Mr. C. D. Deshmukh said that his abiding interest in the co-operative movement had prompted him to readily accept the invitation. In his capacity as member of the Planning Commission, he vitally interested himself in the progress of the co-operative movement. Further it was one of the major instruments that enabled them to attain important objectives in production and employment.

Paying a tribute to the role that Madras had played in the co-operative movement, the Union Finance Minister remarked that Madras had all along been one of the States in the vanguard of the co-operative movement. The record of the T.U.C.S. clearly indicated that it must be one of the societies with the longest successful record in the State. The Society commenced its work in 1904, the year of enactment of Co-operative Societies Act of India, with a share capital of Rs. 310. The Society, however, had the great good fortune of having among its earliest associates, the late Rt. Hon. V. S. Srinivasa Sastriar, whose record of public service in numerous fields was memorable in the National movements in our country prior to the attainment of independence.

Mr. Deshmukh said that when he accepted the invitation to participate in the function he received somewhat critical communication about the Society from some persons and with the caution required of any Finance Minister, he made enquiries about the Society. He addressed a letter to the Reserve Bank. He received a reply from the Reserve Bank which gave a gist of the growth of the society and its valuable part in meeting the requirements of the public. He read the letter of the Reserve Bank stating that it was fair to read it because it had referred to its service to the public.

Growth of T.U.C.S.

The Society, the Union Minister continued, from its modest beginnings had now come to acquire impressive proportions in the variety

and extent of its services in the co-operative field. The share capital had increased from Rs. 310 to Rs. 2.2 lakhs and the membership had increased from 14 to 24,000. The annual sales were in the order of Rs. 1.5 crores. In recognition of its valuable services rendered, the Government had also given an exgratia grant to it—a remarkable act of generosity on the part of the Government. Indeed all these were remarkable achievements. He was also informed that during the critical war period, the Society stuck to its post by undertaking to distribute foodgrains. Further it played a notable part in distributing cloth and other commodities at controlled rates to the public. During these difficult times created by scarcities, the availability of distributing agencies like co-operative societies prepared to undertake distribution independent of the profit motive must have been of immense help to the Government. Taking all factors into consideration, the future of this organisation was brighter than in the past. In other words, he could look forward for its diamond jubilee celebration.

The Society deserved congratulation from everyone who had any interest in the growth of the co-operative movement on sound lines in this country. He also welcomed the expansion programme the Society had undertaken in the field of production and he hoped they would lay greater and greater emphasis on this aspect of the matter and try consciously to organise production in as many items as they could conveniently do and take over distribution to the consumers from time to time.

Referring to the complaint made earlier that the Five-Year-Plan did not formulate concrete steps for the development of the co-operative movement, he expressed the hope that the Planning Commission would rectify this error in the next Five-Year-Plan which was now under active consideration because it had been recognised that unless complete targets were provided it was always difficult to implement any plan.

Co-operation in Indian Economy

The Finance Minister adverting to the general co-operative movement in the country said the present time was most opportune for reviewing the progress of co-operation in India both in respect of the deficiencies of the development hitherto made and the lines on which the movement must be oriented in future. The importance of co-operation was self-evident. During the last hundred years, it had occupied a place of considerable importance in the advanced economies of the West. With reference to our conditions and thinking, co-operation had been of very special significance. It had accordingly been

given a very important place in the Plan. He wished to state that when at the present moment, two opposed and apparently inconsistent economic ideologies were confronting each other in the world, namely, private enterprise or capitalism and State enterprise or communism, India had chosen for itself the golden path of the middle economy and believed that there was some merit in both these ideologies and they were not mutually inconsistent and irreconcilable. Co-operation as a method of industrial organisation had a special significance to the development of this conception of a middle economy. Moreover, their country consisted of a number of small agricultural farms and small handicrafts and industries occupied a very important place in our industrial life. Co-operation was therefore essentially a technique for undertakings on a small scale to get together for the purpose of deriving those benefits which normally belonged to large-scale organisation. In the background of the general Indian preference for decentralisation and dislike of concentration of industrial power, the principle of co-operation would acquire a special importance.

Emphasising that co-operation could play an important part in the industrial field, the Union Minister said that modern industrialisation implied modern techniques which were normally associated with largescale organisation. Unless modern techniques were adopted, our industrial efficiency would not compare with that of other competing countries in the world markets and the production of goods here in India would not be as large and efficient as it might otherwise be. Modern techniques did not mean mammoth undertakings and excessive concentration of industrial power and the reduction of the individual's status to that of the robot in a huge organisation. It was for removing that danger and in reconciling industrial economy with the exploitation of modern techniques that the co-operative movement had an important part to play in the industrial field.

Agricultural Credit

So far as India was concerned, co-operation had been tried largely in the field of co-operative credit in the rural areas, the Union Minister continued. Even here, the development had been very unequal. Madras and Bombay had taken large and important strides in this field; but in many other States, the structure of co-operative organisation was not even set up or perhaps feeble due to land tenure structure. Government, through the Reserve Bank, had been playing an increasingly important role in providing the credit to rural areas through these co-operative organisations. He wished to remind, in

this context, that from a figure of few lakhs of rupees, about ten years ago, the amount of accommodation made available by the Reserve Bank of India through the co-operative movement had now swollen to the tune of about Rs. 16 crores. Both Madras and Bombay were able to draw upon these facilities to a greater extent than other States. The credit was provided at a rate of $1\frac{1}{2}$ per cent, considerably below the bank rate. Recently the Government had amended the rules enabling the Reserve Bank to provide medium-term credit up to a limit. Apart from that, the Reserve Bank was also buying debentures of Land Mortgage Banks with a view to helping in the field of long-term agricultural credit.

It must be acknowledged, Mr. Deshmukh remarked, that even in the field of agricultural credit wherein the co-operative idea had been developed more than in any other field, and even in relatively advanced States like Madras and Bombay, they were still far away from providing anything like a major portion of the requirements of agricultural credit in the countryside. The Rural Credit Survey Committee appointed by the Government had reviewed the entire field of rural credit and the co-operative movement. This Committee had made certain profoundly important suggestions for the vitalisation of the co-operative movement and for ushering in a new life in the countryside. The Government had already accepted one of the important recommendations of this committee, namely the establishment of the State Bank of India with branches all over the country to serve as a support and stand-by of the credit requirements of a much more expanded and intensified co-operative development, which the committee envisaged. The Government, he added, were actively considering other suggestions put forward by the committee and they would give their earnest attention to these suggestions. They might be well on the eve of some far-reaching developments in the field of co-operation.

On the future of co-operative movement, the Union Finance Minister said that the co-operative movement had an important place in the Plans for the country's economic development they had formulated. He was convinced, that co-operative movement must have an important role in the welfare economy that they were trying to fashion for our country. It seemed that time had come when there must be judicious mixture of Governmental and non-Governmental collaboration in expanding the co-operative movement on right lines. Co-operative movement in India was like an oasis in a desert.

Encouragement and development of co-operative organisation therefore had been and would always be one of the chief objectives of their policy, he added.

Giving some advice to the enthusiasts of co-operative movement, Mr. Deshmukh stated that it was essential to note that while they were entitled to expect every form of assistance from public authorities, ultimately, co-operation as a system of industrial organisation would succeed or fail on its own merits and on its own efficiency. While utilising the facilities offered by the Government for initial development, the objective of the movement must always be to earn its place in the economy and it must side by side strive constantly for standards of efficiency and performance at least equal to those of the alternative forms of organisation.

In conclusion he expressed the hope that the society would continue to play in the future as it had done in the past its due role in the co-operative structure of the State.

Mr. P. N. Marthandam Pillai proposed a vote of thanks.

The day's function was rounded off with a dance recital by Kumaris Malathi and Vanamala at "Kalamandapam", Triplicane.

For Reliable, Durable and Guaranteed Musical Instruments viz., Veena, Thambura, Gottuvadyam, Fiddle, Mirudangam, Dolak, Ganjira, Flute, Morsing, Tabela, Thavul, Pipe, Band set, Harmonium *etc.*, in various sizes

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Embossing metal works, *i.e.*, Embroidery inlaid plates, discs Pots, Tumblers, Vases, Snuff-boxes *etc.*, in various patterns,

At Reasonable Price

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The Tanjore Musical Instruments Co-operative Production and Sale Society, Ltd., 1. 1270, South Main Street, Tanjore.

All kinds of repairs are undertaken. Spare parts and other accessories are available.

D.'s. AND CIRCULARS

C O.'s. and Circulars

Circular of the Registrar of Co-operative Societies, Madras
SRI A. PALANIAPPA MUDALIAR, M.A.,

Dis. 153173/54-A.

Dated 5-1-1955

RENEWAL OF INVESTMENTS OF FUNDS

Sub:—Co-operative Societies—Investments of Funds—Renewal of the Statutory permission accorded by the Registrar—Submission of proposals—Instructions—Issued.

The Registrar observes that some of the Deputy Registrars are submitting the applications of societies for the continuance of the permission accorded by the Registrar under Section 34 of the Madras Co-operative Societies Act to invest their funds with other institutions after the expiry of the period of the original permission and that while submitting the applications, they recommend the renewal of the permission with retrospective effect. This is irregular. Any permission accorded by the Registrar or by the Deputy Registrars under the provisions of the Madras Co-operative Societies Act, shall take effect only from the date of the order granting the permission and it cannot be given retrospective effect.

All Deputy Registrars are requested to note these instructions and submit the applications of societies for renewal of the Statutory permission accorded by the Registrar, sufficiently in advance, say, at least a month before the expiry of the period of the original permission. They are also requested to issue suitable instructions accordingly to all Co-operative Societies in their jurisdiction

S. NITHIYANANDAM,
For Registrar

LEGAL ADVISERS AND THE BOARD OF MANAGEMENT

Circular of the Registrar of Co-operative Societies, Madras

SRI A. PALANIAPPA MUDALIAR, M.A.,
Registrar

R. C. 103299/54 A.

Dated 10-1-1955.

Sub:—Co-operative Societies—Services rendered by the Directors of the societies as Legal advisers—violation of the provisions of Rule XXVII-1 (g) and 2 (g) of the Rules framed under the Madras Co-operative Societies Act—instructions issued.

G.O.S. AND CIRCULARS

1. Rule XXVII-1(g) of the Rules framed under the Madras Co-operative Societies Act VI of 1932, lays down that no person shall be eligible for appointment as a member of the Committee of any society, if he is interested directly or indirectly in any contract made with the society involving financial interests. Rule XXVII-2(g) lays down that a member of the committee of any society shall cease to hold his office as such if he becomes interested directly or indirectly in any contract with the society involving financial interests.

2. Recently, an instance was brought to the notice of the Registrar, wherein a member of the Board of management of a society was appointed as the Legal adviser of the society on an annual remuneration of Rs. 300 to be paid from the general funds of the society. The function of the Legal adviser was to give his opinion on matters involving legal points relating the transaction of the society. A question was raised, whether this did not amount to a contract made with the society by the Director involving financial interest and consequently offened the provisions of the said rules XXVII-1(g) & 2(g). The Registrar addressed the State Government for clarification on the point.

3. The Government have now informed the Registrar that the Government have been advised that the acceptance of the post of Legal Adviser of a co-operative society by a member of its Board of management, is in the nature of a contract of service carrying with it emoluments and will, therefore fall within the scope of the expression "Contract made with the society-involving financial interest" occurring in rules XXVII-1(g) and 2(g) of the Rules framed under the Madras Co-operative Societies Act. Consequently, a person who acts as the Legal adviser of a co-operative society on any kind of remuneration viz. out of the general funds of the society or out of its net profits etc. IS NOT ELIGIBLE TO BE APPOINTED AS A MEMBER OF THE BOARD OF DIRECTORS OF THE SOCIETY and if he accepts the post of Legal adviser after becoming a member of the Board of Directors of the society, he shall cease to be a Director by virtue of Rule XXVII-2(g)

All Deputy Registrars are requested to bring this to the notice of all co-operative societies in their jurisdiction.

A. PALANIAPPAN,
Registrar.

RURAL HOUSING SOCIETIES

Copy of the G.O. Ms. No. 32 Department of Industries, Labour and Co-operation dated 6-1-1955.

ABSTRACT.

Sub :—Housing—Rural Housing Co-operative Society's—
Maximum limit of loan per individual etc.—Registrar's
presumption—confirmed.

Read the following.

From the Registrar of Co-operative Societies letter R. C. No. 132309/54 z (ii) dated 19-10-1954.

The Registrar of Co-operative Societies is informed that his presumption that the orders issued in G. O. Ms. No. 2876 Industries, Labour and Co-operation dated 16-10-1954 removing the restriction regarding the income limit for the grant of loans to housing societies will apply to rural housing societies also and that the maximum amount of loan admissible per individual will be Rs. 5,000 in their case as originally fixed in G. O. Ms. No. 1494 Development dated 14-1-1950 is correct.

(True Copy)

Endt. R. Dis. 132309/54 ZII

Office of the Registrar of
Co-operative Societies,
Madras, Dated 12-1-1955.

Copy of G.O. Ms. No. 32 Industries, Labour and Co-operation dated 6-1-1955 communicated to all Deputy Registrars on general duty and the Special Development Officer, Ramanathapuram.

P. AUDIKESAVAN,
For Registrar.

The Madras District Co-operative Central Bank, Ltd.
13/14, Mukkur Nallamuthu Chetty Street, Madras-1.
ESTD. 1930

Authorised Capital	TELEPHONE NO. 2884
Working Capital	Rs. 10 lakhs.
	50

All kinds of deposits accepted.

Rates of Interest :—

Current Deposits	1/2 %	Savings Deposits	2 %
Fixed Deposits For—: 6 ms.	3 1/4 %	For 1 yr.	3 1/2 %
		For 2 yrs.	3 3/4 %

Further particulars can be had from the undersigned :
B. S. VIJAYAGOPAL, B.A., B. COM.
Secretary.

CO-OPERATIVE NEWS & NOTES

News and Notes

NEW EXECUTIVE COMMITTEE FOR THE MADRAS CO-OPERATIVE CENTRAL LAND MORTGAGE BANK

At a meeting of the Board of Directors of the Madras Co-operative Central Land Mortgage Bank, Ltd. on 12th January 1955, Sri N. S. Ramalingam, B.A., was elected President, Sri Raja Chidambaram Reddiar was elected Vice-President, Sri T. M. Chinnayya Pillai, Treasurer and Sri M. N. Chowta and Sri M. Shunmugham, members of the Executive Committee.

PROCESSING OF CASHEWNUT

A proposal for starting a cashewnut processing and oil pressing factory in S. Arcot district is now under consideration of Madras Government.

Cashewnut is grown over about 24,000 acres in this district particularly in the Cuddalore-Panruti area, and the total annual yield is about 4,000 tons. Besides the nut, the kernel and the oil are valuable by-products for which there is a good market abroad, particularly in U. S. A.

The present proposal is to start a factory in a suitable centre, capable of dealing with about 1,200 tons of nuts; In this connection, an officer of the Co-operative Department who conducted an investigation recently has also made his recommendations to Government.

The proposed plant was expected to cost about Rs. 25,000, buildings about Rs. 75,000 and the running cost initially about Rs. 8 lakhs.

The producers made representations to Mr. M. Bhaktavatsalam, Minister for Agriculture and Industries, who recently visited the area, seeking governmental assistance towards capital and running costs as well as loan of officers.

The Minister told Pressmen to-day that the scheme would be considered after receiving the concrete project plan and necessary share capital was subscribed by the producers.

CULTIVATION THROUGH CO-OPERATIVES

GOVERNMENT SANCTION AID.

The Government have directed that out of the items of financial assistance admissible to members of land colonisation societies, the following scales of assistance should be extended to the members of the rural multi-purpose co-operative societies brought under the

scheme of intensive cultivation, through village co-operatives, which have taken to the work of reclamation and cultivation of follow lands.

1. A grant (subsidy) of a maximum of Rs. 5 per acre for manure for the first year only, 2. Seed, free of cost upto Rs. 5 per acre (for food crops and for the first crop only). 3. Interest-free loan upto Rs. 50 for each member repayable in 10 annual instalments, for the purchase of agricultural implements. 4. A grant (subsidy) of a maximum of Rs. 125 per member towards half the cost of bulls. 5. Interest free loan of a maximum of Rs. 125 per member repayable in 5 annual instalments, to meet half the cost of bulls. 6. Interest-free loan of a maximum of Rs. 25 per acre, repayable in 10 equal annual instalments, for land reclamation.

The Government have sanctioned the incurring of an expenditure of Rs. 2,00,306 during 1954-55 on account of the grant of subsidies and interest free loans.

The sanctioning of the expenditure is subject to the condition that the loans are advanced from co-operative funds and that 3½ per cent out of the interest charged will be borne by the Government. The grant of subsidies and interest free loans during 1954-55 will be used for the 7 districts in which the scheme of intensive cultivation through village co-operatives is working in the Madras State.

MARKETING SOCIETIES CONFERENCE AT MERCARA.

A conference of the representative of Marketing Societies and Rural Credit Societies in the State selected for linking of marketing and credit was convened on 2nd December 1954 at Mercara to discuss the implementation of the schemes of crop-finance and effective linking of credit with marketing. The Hon'ble Minister for Co-operation presided and the Hon'ble Chief Minister inaugurated the Conference. The present position of marketing societies was surveyed and future line of working was discussed. A resolution requested the State Government to reconstitute the State Co-operative Bank, so as to fulfil the conditions stipulated by the Reserve Bank of India for the grant of Rs. 15 lakhs for seasonal agricultural operations and for marketing of produce at concessional rate of interest. Another resolution urged the State Government to introduce the scheme of crop-finance from the next season, in societies having storage facilities. It also requested the Government to provide at least Rs. 5 lakhs for construction of godowns, half the sum as subsidy and the other half as long-term loan. A third resolution requested the Government to examine the scope of introducing regulated markets covering paddy and cardamom.

THE REPORT ON THE WORKING OF The Madras State Co-operative Union DURING THE YEAR JULY 1953 TO JUNE 1954

1. Period of the Report

The following is the report on the working of the Madras State Co-operative Union for the period from 1st July 1953 to 30th June 1954.

2. Membership

After reaching the modal point on the 30th June 1953, the membership curve had registered a down trend and had reached the base point on the 30th June 1954. On 30th June 1953, the membership stood at 1003; on 30th June 1954 it declined to 629. The fall in membership is directly due the bifurcation of the Madras State Co-operative Union. The following table shows the relative position of membership:

Name of Institution,	As on 30-6-53	As on 30-6-54
1. State Institutions	— 7	7
2. Central Banks	— 31	15
3. Language Federation	— 2	1
4. Urban Banks	— 157	113
5. Audit Union	— 1	1
6. Land Mortgage Banks	— 69	40
7. Local Co-op. Union	— 170	109
8. Training Institutes	— 4	2
9. Hon. Members	— 14	14
10. Wholesale Stores	— 25	14
11. Primary Stores	— 175	116
12. Marketing Societies	— 33	11
13. Loan and Sale Societies	— 24	13
14. Weavers Societies	— 52	34
15. Milk Supply Unions & Societies	— 47	43
16. Buildings Societies	— 167	81
17. Agricultural Societies	— 12	6
18. Other Societies	— 10	6
19. P.C.C. Societies	— 3	3
Total	... 1,003	629

During the year under report 9 societies were affiliated; whereas 6 Societies were disaffiliated in the ordinary course; but 377 were disaffiliated with effect from 1st January 1954, on account of bifurcation. The Madras State Co-operative Union is taking vigorous efforts to increase the membership and hopes that with the co-operation of the Societies, it will achieve progress in this direction.

3. Partition of the Union

By far the most important event during the period under report is the bifurcation of the Madras State Co-operative Union. The Union, as the apex institution for Co-operative Education and Propaganda was also bifurcated and the Andhra wing of the Union was merged into the Andhra Desa Co-operative Union. As per resolution No. 20 of the Executive Committee dated 20th June 1953, a Partition Sub-Committee was appointed, with Sri B. Venkatarathnam Choudry as the President. The following are the members.

Dr. P. Natesan, M.B., B.S., General Secretary.

Sri M. S. Palaniappa Mudaliar, Joint Secretary, Tamil Nadu Co-operative Federation.

Sri P. S. Guruva Reddy, General Secretary, Andhra Desa Co-operative Union.

Sri M. N. Chowta, Representative of the Madras Co-operative Central Land Mortgage Bank.

Sri T. P. Raghava Menon-Nominee of the President, Malabar District Co-operative Central Bank.

The Sub-Committee met on 25th July 1953 and 12th October 1953 and passed the following resolutions.

(I) Bifurcation of the Madras State Co-operative Union — Consideration of the basis of division and other details.

“Recommended a division on a ratio of 2 : 3. i.e., 2 for Andhra Area. 3 for Residuary Area.

(ii) 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.

(iii) 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.

(iv) Staff

The same resolution I-(ii) c of the General Body Meeting regarding the Staff allocations was passed.

The Executive Committee of the Union, which met on 12th October 1953 resolved to recommend the resolutions of the Partition Sub-Committee to the Board, with the proviso that the proportion of 2/5ths allotted to the Andhra Desa Union will include the share of the the old Bellary District also. The Managing Board met on the 13th December 1953 and resolved to place the proceedings of the Executive Committee relating to the Partition to the General Body. The General Body which met on the 13th December 1953 adopted the following resolutions.

Madras State Co-operative Union—Bifurcation—Recommendations of the Partition Sub Committee as approved by the Executive Committee.

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 and 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 the Residuary Madras State Co-operative Union.

(ii) Clerk Sri Gopalām shall be transferred to the Andhra Desa Co-operative Union on the existing terms of employment and emoluments of the incumbent.

(iii) Accountant Sri 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 2/5ths allotted to the Andhra Desa Co-operative Union shall include the share of the 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.

We are glad to report that the bifurcation was effected as harmoniously as possible and a spirit of fellowship subsists between the Madras State Co-operative Union and the Andhra Desa Co-operative Union.

4. Assistance to Federation and other Members

A subsidy of Rs. 1,000 each was given to both Tamil Nadu Co-operative Federation (Coimbatore) and to the Andhra Desa Co-operative Union (Rajahmundry) for conducting the Tamil Monthly “KOOTURAVU” and the Telugu Monthly “SAHAKARAMU” respectively.

A subsidy of Rs. 250 each for 'KANNADA SAHAKARI' and 'PARAS-PARA SAHAYI', conducted by the South Kanara Central Co-operative Bank and the Malabar District Co-operative Central Bank respectively. Thus, the Co-operative Movement is well served by Journals in all the language Telugu, Kannada and Malayalam. All these Journals appeared regularly and contributed much to the spread of Co-operation in their respective linguistic areas.

A note on the working of the Tamil Nadu Co-operative Federation Ltd., Coimbatore is appended—Vide Annexure-I.

5. The Madras Journal of Co-operation

The MADRAS JOURNAL OF CO-OPERATION continued to be published regularly every month. The Journal contains interesting articles on the Principles of Co-operation, Co-operation in other Countries and feature articles on the working of several Co-operative institutions in the State. It also contains vivid and refreshing reports of Co-operative Meetings and Conferences, besides the circulars and instructions of the Co-operative Department. Both the format and the quality of paper have been toned up considerably. The pictorial interest has been kept up.

The Journal is a very good medium of advertisement for the Co-operatives. During the year under Review, a sum of Rs. 1,379-10-0 was realised as Advertisement Revenue. Its advertisement tariff is moderate and fair. We appeal to the Co-operatives to support this efficient medium of Co-operative Advertisement and thereby enhance their business.

The cost of publishing the Journal during the year was, Rs. 13,646-0-0 against which the subscriptions and appropriations from membership amount to Rs. 10,328-0-0. The following are our present rates of subscription:

Inland Rs. 8—0—0 per annum

Foreign Rs. 9—0—0 per annum

We are glad to report that besides the Registrar of Co-operative Societies, Madras, the Registrar of Co-operative Societies, Andhra, Registrar of Co-operative Societies, Ceylon, the Directors of Rural Welfare and Community Projects, Madras are subscribing for a good number of copies.

6. Co-operative Literature

During the year under report, the Union had brought out an up-to-date (30-9-1953) annotated Ninth Edition of the Madras Co-operative Societies Act, 1932, with case laws, important circulars of the Co-operative Department and Government orders. Sri T. Narayana Pillai, B.A., B.L. was the Honorary Editor of the publication. A fresh edition of the Prospects and Syllabus with model question papers was published during the year. A number of Co-operative graphs and charts and pictorial posters in letter print were prepared by the Union. The pictorial posters have been exhibited in the several Exhibitions and have gained a wide popularity. There was a good demand for posters, from both within and outside the State.

7. Co-operative, Conferences, Celebrations and Meetings 9th Tamil Nadu Co-operative Conference

During the year under report, no Conference was held under the auspices of the Madras State Co-operative Union. But, the 9th Tamil Nadu Co-operative Conference was held under the auspices of the Tamil Nadu Co-operative Federation at Tanjore, under the Presidentship of Dr. P. Natesan, M.B., B.S., President of the Madras District Co-operative Central Bank. The Union gave a donation of Rs. 150-0-0 towards the conduct of the Conference. Sri D. Mahalingam Pillai, Sri H. M. Jagannatham and Sri V. Jaggaraju were elected as delegates of the Union.

Golden Jubilee Celebrations of the Co-operative Movement in Madras

The Golden Jubilee of the Co-operative Movement was celebrated with great eclat during the Easter Week i.e. 18th to 24th April 1954. The Madras State Co-operative Union was the prime mover of the entire celebrations in the State. The Jubilee was celebrated on a grand and impressive scale under the joint auspices of several Co-operative institutions, the Madras State Co-operative Union being the Chief Organiser. The programme consisted of processions, meetings, entertainments, exhibitions etc. at S.I.A.A. grounds, Park Town, Madras. It also included the publication of Co-operative Supplements in "The Hindu", "The Madras Mail", "The Indian Express" and the "Dhinamani". The Madras State Co-operative Union had brought out a beautiful and artistic "Golden Jubilee Number" to commemorate the occasion. A number of enlivening articles from pen of eminent Co-operators adorn and vivify the Journal. The celebrations in the City were held on the 17th, 18th and 19th April 1954. A Mammoth Co-operative Procession started on 17th April 1954 and it marched forth with a royal mein to the S.I.A.A. grounds. The Pandal was gaily decorated with flags and festoons, Co-operative banners and posters. There was a record crowd of 40,000. Sri T. N. Rajarathinam Pillai, played the Nadaswaram. The following is the report of the celebrations during 17th April 1954, 18th April 1954 and 19th April 1954.

17th April 1954

The Hon'ble Justice Sri P. V. Rajamannar, Chief Justice of Madras, inaugurated the celebrations. Dr. P. Natesan welcomed the audience. Sri A. Palaniappa Mudaliar, Joint Registrar of Co-operative Societies, Madras and Sri Bhogaraju Venkatarathnam, President Central Co-operative Land Mortgage Bank, Madras addressed the gathering. A Cottage Industries Exhibition was also held. Sri N. S. Krishnan's party entertained the audience with a Tamil Drama "Manamagal".

18th April 1954

Dr. P. Natesan, M.B., B.S., welcomed the gathering. Dr. A. Lakshmanaswami Mudaliar, Vice-Chancellor, University of Madras presided over the day's proceedings. Sri V. Balasundaram, Joint Registrar of Co-operative Societies Madras, Sri K. Nachinarkiniya Sivam, President, The Madras Co-operative Milk Supply Union, Ltd.,

XL 211, N12
N55-46.7

Sri V. Parthasarathy, President, The South India Co-operative Insurance Society Ltd., addressed the gathering. Sri M. K. Thyagaraja Bhagavather regaled the audience with his fine music.

19th April 1954

The celebrations were marked by remarkable liveliness; there was a record gathering of about 50,000 persons at the venue of the celebrations. Dr. P. Natesan, M.B.,B.S., welcomed the audience, Shri Sri Prakasa, Governor of Madras delivered the presidential address. Sri J. C. Ryan, Registrar of Co-operative Societies, Madras and Sri T. M. Chinnaya Pillai, President, Co-operative Fire and General Insurance Society, Ltd., Madras addressed the gathering. Dr. P. Natesan proposed a vote of thanks. The gathering was entertained to a dance performance by Srimathis Lalitha, Padmini and Ragini.

The 'celebrations were organised by a special Committee, consisting of the following members. Shri A. Palaniappa Mudaliar, Sri V. Balasundaram. Sri Dr. P. Natesan. Shri S. Satyamurthi. Sri C. R. K. Chetty. The Committee resolved to request the Co-operative Institutions to donate liberally towards the cost of these celebrations. It realised an income of Rs. 26,331-10- out of which it made magnificent arrangements to make the campaign a great success.

The mighty and inspiring lead given by the Madras State Co-operative Union was followed enthusiastically by the mufassal District Banks. Detailed reports of the celebrations at the mufassil centres are published in May 1954 issue of the Madras Journal of Co-operation.

On the whole, the celebrations enlightend the general masses, with the message of Co-operation and was almost unique in having blended propaganda with a lively spirit of recreation.

31st International Co-operative Day

The 31st International Co-operative Day and All India Co-operative Day was celebrated on the 7th November 1953 under the auspices of the Madras State Co-operative Union at the premises of the State Co-operative Bank, Ltd, Madras The Hon'ble Dr. U. Krishna Rao presided. A large number of Co-operators both non-official and official were present. After Tea, Dr. P. Natesan, General Secretary of the Union welcomed the audience and read the declaration of the I. C. A. and the Message of Sri R. G. Saraiya. Sri M. Arulandam, B. Com. (Hons.) Secretary, The Co-operative Milk Supply Union, Ltd., Ayanavaram addressed the gathering on "Danish Co-operation". Dr. P. Natesan proposed a vote of thanks.

Informal Conference of Co-operators with Dr. Raymond, W. Miller, Co-operative Consultant with the Ford Foundation.

Taking the opportunity of the visit of the International Planning Team, on Small Scale Industries, Ford Foundation to Madras, enroute to Ceylon, the Madras State Co-operative Union organised an informal Conference of Co-operators in the State on 18th February 1954. A large number Co-operators and Economists were present. Among those present were Dr. U. Krishna Rao Minister for Co-operation, Madras. Dr. Raymond W. Miller, Co-operative Consultant with the Ford Foundation, Sri J. C. Ryan, Registrar of Co-operative Societies Madras, Sri K. Subramaniam Naidu, Registrar of Co-operative Societies, Andhra, Sri M. D. T. Kumara, swami Mudaliar, Sri D. Mahalingam Pillai, Dr. P. Natesan, Sri Bogaraju Venkatarathnam, Sri M. S. Palaniappa Mudaliar, Sri T. Narayana Pillai, Father Basenack, Mr. Alexander, Registrar of Co-operative Societies, Mauritius, Dr. D. Rajalakshman and Sri A. Palaniappa Mudaliar, Joint Registrar of Co-operative Societies, Madras. Sri D. Mahalingam Pillai, Vice-President, Madras State Co-operative Union, welcomed the chief guest. Dr. Miller addressed the gathering on "Cottage Industries and Co-operatives". A discussion followed, in which Messrs. T. Narayana Pillai, J. C. Ryan, Father Basenack, Dr. Rajalakshman participated. Dr. Miller replied to the discussions. With a vote of thanks by Sri D Mahalingam Pillai, the Conference came to an end.

8. Propaganda and Publicity

Films

The Madras State Co-operative Union has got on its inventory 9 films on Cottage Industries and Milk Supply Co-operatives. The Union has a fully equipped projector. On the 6th May 1954, as a rounding off event of the Golden Jubilee Celebrations, a film show was arranged by the United States Information Service at the Little Theater, in which the United State Information Service Films as well as the Union Films were shown. Shri J. C. Ryan presided over the film show. Dr. P. Natesan proposed a vote of thanks.

Propaganda and Collective Consciousness

During the year under report, a Co-operative Emblem with the lampstead background was designed by our Associate Editor, Sri Viswanathan Tekumalla. The Emblem was adopted by the Madras State Co-operative Union. The All India Co-operative Union had been addressed in the matter. We hope the Emblem would prove an effective medium of Co-operative Collective Consiousness.

9. Co-operative Training and Education

During the year, the Four Training Institutes imparted Co-operative Training in accordance with the new syllabus. In accordance with the new syllabus, the theory examination was held for the trainees in March 1953 at 5 centres—Madras, Rajahmundry, Anantapur,

Coimbatore, and Tanjore. After the theory examination, the trainees were sent to the concerned Central Banks to undergo practical training as usual from 6th April 1954 to 5th June 1954. After training, they were examined in the Central Banks and the results were declared by the Union before the end of June 1954. 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. The following are the results of the March 1954 Co-operative Supervisor's Examinations.

SUPERVISORS' COURSE, March 1954 Examination Results				
Centre.		Number Appeared	Passed in Class I	Passed in Class II
Coimbatore	—	152	8	107
Tanjore	—	188	15	138
Rajahmundry	—	111	2	79
Anantapur	—	53	2	32
Supplementary	—	—	—	—
Candidates in all	—	—	—	—
the above Institutes	—	89	Nil	45
and also at Madras	—	—	—	—
Centre	—	—	—	—
Total	—	593	27	401

Andhra Trainees and the Union

As the bifurcation was given effect to from 1st January 1954, there was hardly enough time for the Andhra Desa Co-operative Union to conduct the Examination in March 1954. So at the request of the Andhra Union, the Madras State Co-operative Union agreed to conduct 1954 examinations for all the Institutes and to publish the results. Of the 593 students who appeared for March 1954 examination, 196 were from the Andhra area and 397 from the Madras area.

Building for the Institutes

During the year under report, vigorous efforts have been taken to construct buildings for the Co-operative Institutes at Tanjore, and Coimbatore. Under the inspiring leadership of Sri N. R. Samiappa Mudaliar, President, Hood Co-operative Institute, Tanjore, a sum of Rs. 61,222 was collected and the construction of the Buildings for the Institute was started on 25th May 1953 under the direct supervision of the President. On 21st April 1954, the foundation stone for the Coimbatore Institute Buildings was laid by Sri G. K. Sundaram. The Building is estimated to cost Rs. 1,50,000. We hope that public spirited men and Co-operative Institutions would contribute their mite towards the construction of Buildings to the Institutes.

Grants by the Union

The Madras State Co-operative Union gave a grant of Rs. 500 to each of the four Institutes during this year. The Union disbursed a sum of Rs. 6,276-0-0 to the Institutes, being the Government grant towards the cost of non official lecturers.

10. Employment Bureau.

This Union has been acting as an Employment Exchange in a limited way. The Union maintains a register of qualified candidates, who are in search of employment. From time to time, several enquiries from Co-operative Institutions for a list of qualified candidates are being received by the Union. The Union is circulating the list of qualified candidates to the respective institutions. We make a special appeal to both the candidates and the Co-operative institutions to Co-operate with the Union in this endeavour and make this a real, effective form of employment service.

11. Information Bureau and Library.

The Library of the Union has been the largest Co-operative Library in the Madras State. It has a good collection of books on Co-operation, Economics, Banking, Accounts and Auditing and other allied subjects. Books to the value of Rs. 398-6-0 were added to the Library during the year. The Government had given a grant of Rs. 95 for the Library during this year. We request that the Government may increase the grant given to the Library and thus assist the growth and usefulness of the Library.

The Union gets nearly 50 inland and foreign Journals in exchange for "THE MADRAS JOURNAL OF CO-OPERATION," "THE REVIEW OF INTERNATIONAL CO-OPERATION", "THE CO-OPERATIVE NEWS" of Australia "THE CO-OPERATIVE REVIEW" (The Co-operative Union Ltd.) are some of the important foreign Journals. The Library and the Reading Room were popular and were made use of by students of Co-operation and members of Co-operative Institutions. During the year, the union had supplied information on several aspects of co operation to a number of enquirers, from both within and outside the State. A number of distinguished co-operators visited the Union during the year (Vide Annexure II).

12. Funds

During the year under report, due to the bifurcation, the Societies outside Madras State were disaffiliated with effect from 1st January 1954. As a consequence 377 societies were disaffiliated and the membership declined from 1,003 on 30th June 1953 to 629 on 30th June 1954. This has resulted in a decrease in the annual contribution revenue from Rs. 7,668-0-0 during 1952-53 to Rs. 4,638-0-0 during 1953-54. As on 30th June 1954 a sum of Rs. 5,772-0-0 stood as arrears as against Rs. 6012-0-0 on 30th June 1953 and vigorous efforts were made to collect the arrears. We thank the member institutions for their co-operation. We also take this opportunity to

appeal to them to persuade co-operative institutions in their neighbourhood to join the Union and add to the strength of the Union especially in view of the reduced membership of the Union, due to the Andhra bifurcation.

We offer our grateful thanks to the Madras State Co-operative Bank for their generous grant of Rs. 10,250-4-0 from its Common-Good Fund, but for the Bank's continued assistance and co-operation, it would not have been possible to increase the services of the Union.

We earnestly appeal to all bigger Co-operatives to emulate the example of the State Bank and the Madras Co-operative Central Land Mortgage Bank and donate liberally from out of their surplus and enhance the financial position of the Union and thus make the Union an efficient organ of Co-operative Propaganda and Education.

13. Policy Formation :

The Union had always been an exponent of non-official Co-operative opinion in this State. Both the Government and the Registrar have been consulting the Union on matters of Co-operative Policy and Administration.

A Pilot scheme for the provision of 'Full Finance' drafted by Sri M. S. Palaniappa Mudaliar was forwarded to the Registrar and the Reserve Bank. The Registrar in his letter No. R. C. 51635/53-A dated 18th July 1953 had communicated the favourable opinion of Reserve Bank of India to the Union. A circular letter, containing the Pilot scheme was sent to all Central Banks for favour of necessary action.

On the recommendation of the Producer's Committee, which met on 20th June 1953, a scheme for the organisation of Cattle-Breeding Societies was drafted and the Registrar in his Memorandum No. R. C. 103170/53-7 dated 18th July 1953 had favoured the proposal of the Union and had directed all the Deputy Registrars and Dairy Development Officers to take necessary steps to implement the resolution.

In order to provide practical training to the B. Com. graduates with Co-operation as special subject, who have been exempted from passing the examinations conducted by the Madras State Co-operative Union and training given by the Muffasal Institutes, a special six month training scheme was drafted by the Union, on the recommendations of the General Secretary of the Union. The Registrar in his letter No. R. C. 158463/51 N dated 25th September 1953 had approved the scheme.

An important educational policy decision during the year under report 1953-54 was the enunciation of minimum qualifications regarding the admission of candidates to the Muffusal Co-operative Training Institutes. The following are the two qualifications (1) Admission is restricted to candidates, who are eligible for College study or for Government Service (2) Candidates must have completed

16 years of age on the 1st July of the year, in which he seeks admission. But it has been subsequently resolved that the candidates, who have completed the S. S. L. C. course shall also be eligible for admission during 1954-55.

The Union on the request of the Coimbatore Co-operative Training Institute had resolved to admit Non-Madrasis to the Training Institutes, on the payment of Tuition fees of Rs. 100.

The Union had requested the Registrar that the Government may amend the rule XXVII-A to the effect that the lower limit of working capital of limited liability societies be raised from Rs. 1 lakh to 2 lakhs on 20th June 1953. The Registrar had stated that paid officers were necessary even in respect of societies with a working capital of Rs. 1 lakh. The Union discussed the issue and replied to the Registrar that in the event of enforcing the Rule XXVII-A, the Urban Bank Managers should be made the Secretaries and the Registrar should relax the conditions regarding their qualifications.

14. Other Activities

During the year under report the Union had rendered assistance to several Co-operative institutions.

The Union had affiliated itself to the All India Co-operative Union, and had paid a sum of Rs. 300 as affiliation fees.

The Union had also donated Rs. 30 towards the advertisement charges to the Central Co-operative Printing Works, Madras in connection with the publication of the Diary.

The Union had donated Rs. 150 for the 9th Tamil Nadu Co-operative Conference, held at Tanjore.

The Union had written off the contribution arrears of Rs. 35 pertaining to the Tuticorin Co-operative Marketing Society, Ltd., in view of its financial position.

15. Meetings of Committees

(a) PARTITION SUB-COMMITTEE : The Partition Sub-Committee met twice during the year on 25th July 1953 and 12th October 1953 respectively and made its recommendations to the Executive Committee on 12th October 1953.

(b) GENERAL MEETINGS : The General Body of the Union met twice during the year under report and both the meetings took policy-decisions regarding the future work of the Union.

(i) The General Body Meeting, which met on 13th December 1953 finalised the Partition affairs, according to the recommendations of the Partition Sub-Committee. It was resolved that the bifurcation shall come into effect on 1st January 1954 and that the assets, liabilities and personnel as apportioned to the Andhra area shall be made over by the Madras State Co-operative Union to the Andhra

Desa Co-operative Union. It also paid a tribute to the work of Sri Bikkini Venkatarathnam Choudry, President and Dr. P. Natesan, General Secretary of this Union.

(ii) The special General Body Meeting which, met on 25th April 1954, finalised the future organisational frame work of the Union. It was specially convened to pass the EN-BLOC amendments to the by-laws of the Union.

At the Executive Committee meeting of the Union held on 1st January 1954, it was resolved to amend the by-laws of Madras State Co-operative Union providing for the amalgamation of the Language Federation. The General Body which met on 25th April 1954 amended EN-BLOC the by-laws of the Union and the Union was renamed as "The Madras State TamilNad, Malabar South Kanara Co-operative Union."

(c) BOARD MEETING: A Meeting of the Board of Management was held on 13th December 1953 and placed the recommendations of the Partition Sub-Committee before the General Body held on the same date.

(d) EXECUTIVE COMMITTEE: There were five meetings of the Executive Committee during the year under report on 12th October 1953, 13th December 1953, 1st January 1954, 18th February 1954 and 28th March 1954 respectively.

16 Staff

During the year under report, a communication was received from the Registrar intimating that the subsidy given to the Union towards the pay of the Associate Editor-cum-Manager would be stopped in view of the financial position of the Union. The Executive Committee issued a notice of termination of service to Sri Viswanathan Tekumalla, Manager-cum-Associate Editor with effect from 31st December 1953. Meanwhile, the Registrar was requested to continue the subsidy due to the loss sustained by the Union on account of the bifurcation and the Government were pleased to sanction the continuance of subsidy for one year upto 31st March 1955 in G. O. M. S. No. 5307, Department of Industries, Labour and Co-operation dated 31st December 1953. On receipt of the G.O. cited above, the Executive Committee advertised for the post and called for fresh applications. On 28th March 1954, the Executive Committee selected Sri C. M. Janarthanam, B.A., B.com., for the post of the Manager-cum-Associate Editor.

Sri M. S. Rajagopalan, Accountant was retained by the Madras State Co-operative Union. Clerk M. Gopalram was transferred to the Andhra Desa Union. During the year under report, an Interim Relief of two month's pay to the Staff of the Union was sanctioned as a special case.

17. Loss to the Movement

We regret to report the sad demise of our Veterans Sri Rao Bahadur A. Vedachalam Iyer, Sri D. Rajaram Reddy, Sri N. R. Samiappa Mudaliar, and Sri R. Suryanarayana Rao. All of them had done yeoman service to the cause of co-operation and were connected with our Union in one capacity or other.

18. Thanks

The Union tenders its grateful thanks to Sri C. Rajagopalachariar, former Chief Minister of Madras, Sri K. Kamaraj Nadar, Chief Minister of Madras, Hon. Dr. U. Krishna Rao, former Minister for Co-operation, Sri A. B. Shetty, Minister for Co-operation, Hon. C. Subramaniam, Minister for Finance, who had been encouraging the Union in all its useful educational endeavours. We are particularly thankful to the Madras State Co-operative Bank for the assistance. The Union also thanks profusely Sri J. C. Ryan, M.A., I.A.S., Registrar of Co-operative Societies, Madras, Sri A. Palaniappa Mudaliar, M.A. and Sri V. Balasundaram, I.A.S., Sri R. Adishesha Naidu, B.A., Deputy Registrar of Co-operative Societies, Madras and other officers of the Co-operative Department for their assistance and co-operation. The Union thanks all the Executive Committee members, members of the Board of Management and the General Body for their keen interest and all round Co-operation.

ANNEXURE—(I)

NOTE ON THE WORKING OF LANGUAGE FEDERATION
FOR THE YEAR 1953—54

THE TAMIL NADU CO-OPERATIVE FEDERATION, LTD.
COIMBATORE.

The year 1953—54 is the 26th year of 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, Chingleput, South Arcot, Tanjore, Trichinopoly, Ramnathapuram, Madhurai, Tirunelveli and Madras.

Members

There were 411 members at the end of the year as against 375 at the end of the previous year. They consisted of 13 Central Banks, 10 Central Stores, 1 Audit Union 83 Supervising Unions, 2 Co-operative Presses, 5 individuals and 297 other societies.

Activities

“KOOTTURAVU JOURNAL” :—The Tamil monthly journal ‘Kootturavu’ continued to be published by the Federation. There were 2070 subscribers at the end of the year as against 2041 at the end of the previous year. The journal is being supplied free to all the members as per by-laws. The Co-operative Department subscribed for 30 copies only. The average of the number of copies supplied during the year amounted to 2583 per issue as against 2572 of the previous year.

The journal has been made more useful by the addition of useful matter and more pages. 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, Co-operative songs and short stories, questions and answers, agricultural notes and other useful articles have been published in the journal. The journal also received contribution of articles from Co-operators. Some of the articles published in ‘Kootturavu’ were extracted and published by other periodicals. Many of the important Co-operative institutions are regularly publishing their advertisements in the columns of the journal, which is becoming more and more popular among the Co-operators. ‘Kootturavu’ is on the exchange list of 26 sister periodicals. Doctor B. Natarajan, M.A., D. LITT., Sri T. K. Navalar and Sri A. R. Ramakrishna Naidu who were on the Editorial Committee continued their valuable services for the journal.

The cost of Printing the journal inclusive of paper and blocks amounted to Rs. 5644-7-0 during the year as against Rs. 4932-13-0

during the previous year. This is apart from the sum of Rs. 1253-0-0 incurred during the year in respect of the issue of the special number relating to the IX Tamil Nadu Co-operative Conference held at Tanjore for which the Tanjore Co-operative Central Bank contributed a sum of Rs. 750-0-0, the balance being met from the Conference Reserve Account.

Translation of the Co-operative Act

The Tamil translation of the Madras Co-operative Societies Act VI of 1932 was completed during the year. Out of 1,000 copies printed 653 copies were sold during the year.

OTHER TRANSLATIONS :—Following the completion of the translation of the by laws of Primary Co-operative Land Mortgage Banks and the Mettupalayam Co-op. Urban Bank, the Federation received enquiries for translation of the by-laws of Primary Weavers Societies from the Madras State Handloom Weavers Co-operative Society and the by-laws of Ramnad Dt. Co-operative Central Bank from that Bank. The Federation also undertook the work relating to the translation of Co-operative words in English into Tamil for the preparation of the Co-operative Terminology of the All India Co-operative Union.

Sale of Publication and Co-operative Flags

The publications of the Federation and those received on consignment basis from others were sold to Co-operatives. The Federation undertook the supply of Co-operative flags also. There was a heavy demand from the Co-operatives for these flags especially during the Golden Jubilee Celebrations of the movement, during the year. A sum of Rs. 3419-7-0 was realised during the year in respect of sale of publications and Co-operative flags. After setting apart a sum of Rs. 1,000 towards Publications Reserve, the Federation realised a gross profit of Rs. 210 on the account.

Funds

The funds of the Federation consisted of (1) Subscriptions for the Journal (2) Advertisement Charges (3) Members Contributions (4) Subsidy from the State Co-operative Union and (5) Sale of publications etc. Out of a demand of Rs. 8526-5-0 under subscriptions and Rs. 5727, under Members’ contributions a sum of Rs. 5510-9-0 under subscriptions and Rs. 3322 under contributions were realised during the year as against Rs. 6505-9-0 and Rs. 2927 respectively against a demand of Rs. 9,611-3-0 under subscriptions and Rs. 5,042 under contribution during the previous year. The advertisement revenue realised amounted to Rs. 1622. The usual subsidy of Rs. 1,000 was received from the State Co-operative Union during the year. The total income of the Federation for the year amounted to Rs. 12,579-13-0 as against Rs. 11,815-6-0 of the previous year. The expenses of the publication of the Journal, Establishment and Contingencies incurred during the year was 11,882-4-0 as against Rs. 10,593-13-0 during previous year. The surplus earned during the year was Rs. 697-9-0, which, added to the previous year’s surpluses stood at Rs. 9,707-1-0 as on 30-6-54.

Conferences

The IX Tamil Nadu Co-operative Conference was held on 24 and 25—10—53 at Tanjore under the auspices of the Co-operative Central Bank at Tanjore. About a thousand delegates attended this Conference, which was inaugurated by the Governor of Madras, Shri Sri Prakasa and presided over by Dr. P. Natesan, the President of the Madras Dt. Co-operative Central Bank. The unfurling of the Co-operative flag was done by Sri T. Krishnamurthi Gounder, Vice-President of the Co-operative Central Bank, Vellore. The Conference was a great success due to the untiring efforts of the Chairman and Vice-Chairman of the Reception Committee—Sri A. Krishnaswami Vandayar and Sri S. Ramalingaswamy respectively. Important resolutions concerning the movement were passed at the Conference.

The Conference of Secretaries of Co-operative Central Banks was also held at Tanjore during the IX Tamil Nadu Co-operative Conference. It was presided over by Sri G. Varadharajan, Secretary of Tiruchy Dt. Co-operative Central Bank and inaugurated by Sri A. Palaniappa Mudaliar. Several important problems were discussed at this Conference.

Golden Jubilee Celebrations of the Movement

The Golden Jubilee of the Co-operative Movement, which came off in the month of April 1954 was celebrated by Co-operators throughout the Tamil Nadu. The Federation issued a Special number of 'Kootturavu' on the occasion. The Federation conducted the celebrations at Coimbatore. It also arranged for the issue of, a special supplement of the local Tamil Daily, the 'Nava India,' on the occasion.

General

One Sub-Committee meeting, 2 Board meetings and 2 General Body meetings were held during the year.

The Editor-cum-Manager toured Madras, Kancheepuram, Vellore and Ootacamund in connection with the enrolment of members and subscribers and sale of publications.

It is with deep regret that the Federation has to record the demise of Sri N. R. Samiappa Mudaliar, the President of the Federation, during the year. In his death Tamil Nadu has lost a veteran co-operator.

Sri D. Krishnamurthi Gounder, M.L.A., was elected as President of the Federation on 24—4—54.

The thanks of the Federation are due to the Tamil Nadu Co-operators, the Madras State Co-operative Union, the Co-operative Central Banks and all the other Co-operative Institutions, that are taking interest in the Federation.

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—54

The Accounts of the Madras State Co-operative Union for the year ended 30—6—1954 as audited by Sri Gnanasundaram, Senior Inspector-Auditor 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 30-6-54 was :

Name of Institution	As on 30—6—53	As on 30—6—54
1. State Institutions	...	7
2. Central Banks	...	31
3. Language Federations	...	2
4. Urban Banks	...	157
5. Audit Union	...	1
6. Land Mortgage Banks	...	69
7. Local Co-op. Unions	...	170
8. Training Institutes	...	4
9. Honorary Members	...	14

Non-Credit Societies:

(a) i. Wholesale Stores	...	25	14
ii. Primary Stores	...	175	116
(b) i. Marketing Societies	...	33	11
ii. Loan and Sale Societies	...	24	13
iii. Weavers' Societies	...	52	34
iv. Milk Supply Unions and Societies	...	47	43
v. Building Societies	...	167	81
vi. Agricultural Societies	...	12	6
vii. Other Societies	...	10	6
viii. P.C.C. Societies	...	3	3
		1,003	629

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

- Contributions from member societies ;
- Subscriptions for the Madras Journal of Co-operation ;
- Subsidies and other Miscellaneous.

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

	Demand Rs. A.	Collection Rs. A.	Balance Rs. A.	Advance Collection Rs. A.
Contribution ...	10,410 9	4,638 0	5,772 0	8 0
Subscription ...	5,617 11	5,207 0	410 11	237 12

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. 15,646-1 6. Against this a sum of Rs. 10,328-11-1 was realised by subscriptions, advertisement charges and contributions.

(b) *Library*:—The value of books on hand amounted to Rs. 4,476-8-0.

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

	Rs.
1. Tamil Nadu Co-operative Federation ...	1,000
2. Andhra Desa Co-operative Union ...	1,000
3. Malabar District Co-operative Bank ...	250
4. South Kanara Central Bank ...	250
5. Co-operative Training Institute, Coimbatore...	500
6. do Tanjore ...	500
7. do Rajahmundry ...	500
8. do Anantapur ...	500

(d) *Propaganda*:—A unique feature of the propaganda work of the Union during the year was the celebration of the Golden Jubilee of the Co-operative Movement. It was a huge mass enlightenment campaign. The celebrations lasted for 3 days between 17th, 18th and 19th April 1954 at the S.I.A.A. Grounds. Special supplements were issued by *The Hindu*, *The Madras Mail*, *The Indian Express & Dinamani* to mark the occasion. The Union too brought out a beautiful and artistic Souvenir as the May 1954 issue of the *Madras Journal of Co-operation*. Various kinds of pictorial colour posters, slogans, pamphlets about the growth of the Co-operative Movement and its development were printed and distributed to many Institutions on the occasion.

A sum of Rs. 4,817-5-0 was spent towards taking copies of films relating to the Cottage Industries and Milk Supply, etc. already taken in the previous year.

Meetings:—Five Meetings of the Executive Committee, one meeting of the Board, two meetings of the General Body and two meetings of the Partition Sub-Committee were held during the year under review.

Miscellaneous:—The Training Classes of Supervisors were conducted by all the four Training Institutes at Coimbatore, Tanjore, Rajahmundry and Anantapur. The March 1954 Examinations were conducted by the Union for all the four Training Institutes even after bifurcation. A sum of Rs. 6,206 was received by way of Examination fees, etc. against an expenditure of Rs. 2,217.

J L R. ADISHESHA NAIDU,
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Statutory	...	4,59,258
Others	...	2,64,770

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Working Capital	-	99,93,251
Loan Transactions	-	65,38,397
Overdraft Transactions	-	122,47,402

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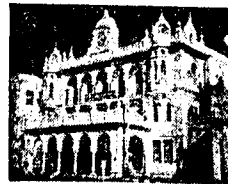
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Paid up Capital	...	Rs. 15,18,300.
Reserves	...	Rs. 19,34,630.

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Summary of Balance Sheet as on 30-6-'54.*

Liabilities.		Assets	
	Rs.		Rs.
Paid up Share capital.	15,18,300	Cash on hand plus	
Reserve and other		balance with Banks	8,82,671
Funds	19,54,956	Loans to Primary	
Debentures	3,89,89,300	Banks	3,29,80,741
Deposits, Loans and		Sinking Fund Invest-	
Overdrafts	30,17,148	ments	98,56,894
Sundry Liabilities	7,41,687	Other Investments	21,24,413
Overdue Interest not		Sundry Assets	7,70,911
realised	1,726		
Net Profit for ten			
months	1,42,518		
Total	4,63,65,630	Total	4,63,65,630

* * * * * As the audit certificate for the period ending 31-8-'53 has not been received the above balance sheet is subject to revision.

O. V. CHINNASWAMY,

Secretary.