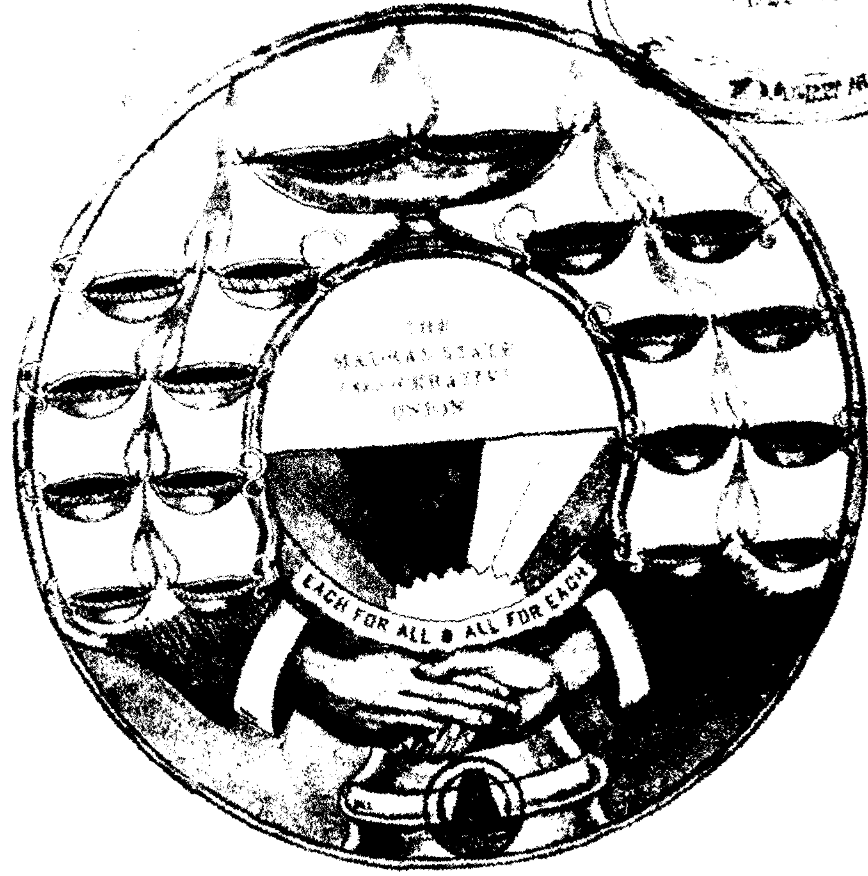
The Madras Journal of Co-operation



NATESAN M.B., B.S.

C. M. JANARTHANAM, B.A., B.Com.

CONTENTS

Editorial Notes

EMPLOYEES' CO-OPERATIVE SOCIETIES CONFERENCE

For the first time, a Conference of the Employees' Co-operative Societies in the City of Madras was convened by the Madras District Co-operative Central Bank on the 3rd June 1956. This Conference was indeed very helpful in taking stock of the past achievements of the Societies and in planning for their future growth and progress.

Dr. P. Natesan, President, The Madras District Co-operative Central Bank, Ltd., in his welcome address made a pointed reference to three important issues. Firstly, he referred to the need for examining the case for consolidation of loans favourably. Secondly, he stressed the necessity for an expeditious system of efficient and concurrent audit. He underlined both the words "efficient" and "concurrent" and requested the Registrar to make arrangements to complete the audit of all societies within the period of three months from the completion of the co-operative year. Thirdly, he made an appeal to the Registrar to conduct a special condensed training course for the benefit of experienced personnel, who have had no regular co-operative training. The three suggestions are eminently practical and sound and we commend the suggestions for the favourable consideration of the Government.

Sri A. B. Shetty, Minister for Health and Co-operation who inaugurated the Conference gave a vivid picture of the working of the societies. He said that 503 employees societies working in the State as on 30th June 1955 had a membership of 2.35 lakhs and a paid up capital of Rs. 118.45 lakhs. They held Rs. 158.33 lakhs as thrift deposits, which worked out to 32 per cent of the total loans outstanding against the members at the end of the year. "This is a happy sign and is indicative of the fact that the members are not only anxious to borrow but also to save something as a stand-by." The own funds of the societies amounted to Rs. 424.74 lakhs, which constituted about 75 per cent of the total working capital of Rs. 566.79 lakhs. This is again a good sign, which shows that the Societies in Madras State depend more on their own resources than on bank-credit. Another noteworthy feature pointed out by the Minister was the low percentage of overdues namely 3.08 per cent. After explaining the sound working of the Societies, the Minister pointed out that 'Thrift is a pre-requisite of all Co-operative Credit' and appealed to the

Societies to regulate their business in such a way as to restrict credit and develop thrift and other activities in the interest of the members. He also hoped that fixed monthly income earners would avail themselves of the facilities provided by the low-income and other housing schemes and benefit themselves by building houses of their own.

Sri Medai Dalavoi Kumaraswami Mudaliar, who presided over the Conference referred to the several problems of Employees' Co-operatives like the procedure for sanctioning of loans, fixing the period of repayment of loans, renewal or consolidation of loans, adjustment of value of additional shares and periodical confirmation of assets and liabilities of members. He explained the rationale of 'Consumption loans' and stated that the Co-operative Urban Credit Institutions must discharge this duty satisfactorily. Providing Consumption Credit at reasonable rates is a very good social service for the fixed monthly salary earners. He also referred to the demand for statutory regulation to deduct the dues of the Society by the Pay Disbursing Officer and said that it would be a better form of Co-operative endeavour, if the members themselves willingly and voluntarily met their obligations to the Society, without resorting to the legal modes of recovery. He advised the members to use the Co-operative Credit wisely for urgent and worthy purposes like education, medical aid etc., and also exercise a self-imposed curb on the propensity to borrow upto the hilt.

Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras, made a lucid survey of the working of the Employees' Societies in the State and in the City of Madras. He said that the Employees' Societies in Madras were on a firm footing. But he emphasized that the Societies should not merely be considered as loaning institutions; they should be more treated and developed as savings institutions. Even in the matter of loan limit, a cautious policy should be pursued. The limit for borrowing should be so fixed as to prevent any huge deductions being made from the monthly salary of the members. He said that besides the Thrift Fund, other forms of withdrawable deposits to be earmarked for specific purposes like the purchase of a house or marriage expenses or educational expenses should be collected. Such deposits will make savings purposive, attractive and fruitful.

Later the Conference, discussed several resolutions. The Conference resolved to fix Rs. 1,000 as the maximum share limit per

THE

Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

Journal of the Madras State Co-operative Union, Esplanade, Madras 1

JUNE 1956. No. 12, VOL. XLVII PRICE AS. 12 NET.

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

Thought for the Month

TOWARDS INDUSTRIAL DEMOCRACY

A steadily expanding federalization of economic life on a decentralised, and wherever, possible, on a co-operative basis is to be desired not only for maximising the scope for efficient utilization of human and other resources but also for making a democratic control of economic life possible. The principle of self-government is atleast as important to a successful democracy as that of self-government. According to the extent of the size and importance of a function the individual by himself or through a democratic organization is enabled to order his life in a democracy. That is how federal governmental institutions with the maximum possible scope for free and associated individual activity emerge. In the economic sphere such federalization is possible only through co-operative organisations.

—Report of the Village and Small-Sale Industries (Second Five Year Plan) Committee.

IN MEMORIUM

SRI K. SITARAMA REDDIAR

Sri K. Sitarama Reddiar, Advocate, Cuddalore, passed away at the age of 72 at the residence of his son-in-law at Teynampet, Madras, on June 22, 1956.

Hailing from Kayappakam in Chingleput district, Sri Reddiar settled down as an Advocate at Cuddalore. He was also the Shrotriemdar of Veeraperumanallur in South Arcot district.

Sri Reddiar was in public life for several years and held different posts. He was the President of the South Arcot District Board for 17 years. He was also a veteran Co-operator and was the President of the South Arcot Co-operative Central Bank from 1943 to 1955.

Sri Reddiar was elected to the Madras Legislative Council in 1921 and the Central Legislative Assembly in 1940. He was Commissioner of the Hindu Religious Endowments Board for three years from 1930. He was also the first Commissioner of the Thirumalai-Tirupathi Devasthanam for three years from 1933.

Sri Reddiar was ailing from paralysis for nearly a year. He leaves two sons and three daughters

May his Soul Rest in Peace!

individual. More important was the decision to fix the individual maximum borrowing power at eight times the basic pay or six times the paid up share capital, whichever is less subject to a maximum of Rs. 2,000. The other resolutions which were discussed at length and passed were the ones relating to consolidation of loans and the statutory provision regarding the recovery of dues from the salaries of members in the service of Government and industrial undertakings. The resolutions on liberalising the scale of thrift fund contributions and the starting of co-operative housing schemes were also approved by the Conference.

In fine, the Conference, though first of its kind had been very useful in pooling the experience of the workers in the field and arriving at decisions, which would give a fresh momentum to the salary earners urban credit movement in the State.

NOTICE.

Volume No. XLVIII, Madras Journal of Co-operation.

With this issue **The Madras Journal of Co-operation** completes Vol. XLVII. Subscribers are requested to remit their subscription for the next **Volume, i.e. No XLVIII** commencing from July 1956 and ending with June 1957 **in advance** so as to reach this office **before the 25th July 1956**.

If subscriptions are remitted by cheques drawn on banks other than the Madras Clearing Banks, the minimum bank commission of **Eight Annas** may kindly be added also to the subscription.

P. NATESAN,
General Secretary.
The Madras State Co-operative Union
379, Netaji Road, Madras-1.

Rural Credit*

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

The problem of rural credit is a vast one. It is an old problem; but none-the-less an urgent problem especially in the present context of increased agricultural production and improvement in the standard of living of the people. Nearly half the national income is derived from agriculture, animal husbandry and allied industries. More than 80 per cent of the population is dependent on agriculture and possibly the remaining 20 per cent on rural industries. India is a Rural India and the population here is increasing by 4.5 millions every year. To meet the growing needs, agricultural production has also to be stepped up and in the Second Five Year Plan period it is expected that the production would be increased by about 20 per cent. For this purpose, a dynamic programme of expansion of agricultural credit is necessary particularly as more than 70 per cent of the agriculturists are medium and small scale cultivators. It has been estimated that about Rs. 70 crores of rupees are required by the cultivators by way of loans for short, medium and long-term purposes. Loans are required for cultivation, for improvement to lands, buying fertilisers and also for sustenance until the harvest. In other words, they require loans for production and consumption. Though several measures have been taken in the past, the problem of rural credit has not been effectively solved as even today, according to the Rural Credit Survey Committee's Report the loans provided by Government and the co-operatives work to about 5 per cent and by the commercial banks a little less than one per cent. Village moneylenders still hold the field. The problem of rural credit, is therefore one of supplying credit through institutions which, in the act of supplying will elevate the position of the farmer. The problem is not merely one of giving credit at a low rate of interest or to the extent needed, but is one where the farmer is enabled to use the credit properly and to derive the benefit of increased production and to take advantage of the other economic activities which will give him more return for the produce he raises and make him a better man than what he is to-day.

The Rural Credit Survey Committee has examined the reasons for the failure of the co-operative societies in supplying the needed

*Source: Sri A. Palaniappa Mudaliar's Speech at the Rotary Club, Madras, on 10-4-1956.

credit and according to the committee, they are largely socio economic in character and arise as a result of certain fundamental weaknesses in the rural structure. At the same time, the Committee emphasised that co-operation must succeed and made several recommendations of great significance. One major recommendation is that the State should not merely administer but enter as a partner in the co operative organisations at various levels and participate in the management of co operative organisations. In Madras we have got a strong co-operative financing structure. The short-term financing structure consists of the Madras State Co operative Bank, the Central Co-operative Banks and the agricultural societies in the districts. The long-term structure consists of the Central Co-operative Land Mortgage Bank and the Primary Land Mortgage Banks. The Central Co-operative Land Mortgage Bank raises funds by floating debentures and finances the primary banks for the grant of loans to their members for improvement to lands and discharge of prior debts. In this way loans are issued to the extent of about Rs. 5 crores every year. Under the Second Five Year Plan it is proposed to provide three times the volume of credit and to give during the year of the plan period fifteen crores of rupees.

The all India target is 50 per cent of the total credit in 15 years. In Madras it is hoped to reach 20 per cent by the end of the Second Five Year Plan period. Government will take shares in these institutions and also help to get necessary funds from the Reserve Bank of India for issue of loans to the agriculturists. Owing to the keen interest evinced by the Reserve Bank of India in agricultural credit and the liberal policy adopted by it, Co-operative organisations are already receving a good deal of financial and other assistance. It is hoped that with their help and with the help of the Central and State Governments it will be possible to enlarge their transactions in the manner indicated.

Another important recommendation is the establishment of large sized societies, familarly known in Madras as agricultural bank. The present rural credit societies are small with limited transactions on unlimited liability basis. They have no paid staff. The idea is to form bigger societies with about 500 to 600 members and with transactions ranging from Rs. 2 to Rs. 3 lakhs and with paid staff so that they can serve the needs of the agriculturists more efficiently than at present.

The other important recommendation of the Rural Credit Survey Committee is that the main approach to the problem should be an integrated one. The supply of credit should be accompanied by arrangements for other activities such as processing, marketing etc. Most of the agricultural produce is sold by the agriculturists in their own villages. Traders and money lenders go to the villages with money and transport and buy the produce which passes through a number of middlemen before it reaches the consumer. If the ryot is to reap the full benefit of his labour he should have facilities for marketing and processing. The credit that is given should be such after it is given, the farmer is enabled to bring the produce to the marketing society and sell to the best adventage. The marketing society will also arrange for processing wherever possible. To provide storage facilities, nearly 400 godowns are proposed to be constructed at a cost of Rs. 70 lakhs. The State will take shares in the marketing societies also and provide funds to the societies for the construction of godowns and the installation of processing plants. The godowns will be constructed in villages and at taluk levels. The All India Warehousing Corporation and the State Warehousing Corporation will construct godowns in bigger towns and other important centres, while the co operatives will confine their attention to the construction of godowns at the village and taluk levels. Co-ordination between these organisations will be brought about later. These measures are bound to bring about a decided improvement in the economic condition of the agricultural population of the country. To achieve these objectives, a good number of workers both paid and honorary is necessary. The paid men in charge of these institutions should, besides being honest and respectable, be imbued with a spirit of service and animated by a sense of helping their fellowmen. Whatever assistance Government may provide and whatever paid staff may be employed success depends on the persons who are at the helm of affairs of these institutions at various levels. The motto of the co-operator is also the motto of the rotarian ; for, the true co-operator is one who places service above self and that is the motto of the rotarian also. I hope that the members of the club—each in his own way—will do all that may lie in their power to further the cause of the co-operative organisation which has an important part to play in the future set up of the country in a socialist pattern of society.

———

Progress of Co-operative Movement in Rajasthan

SRI A. L. YADAV,

Minister for Co-operation and Rehabilitation, Rajasthan.

With the adoption of the socialistic pattern of society as our national philosophy, the co-operative movement has assumed an important place in the life history of the nation. The Welfare State envisaged in our Constitution has been taking a concrete shape and co-operative ventures and undertakings in social, economic and other fields of activity shall become a very important phase of development and progress of the nation. We are now on the road to a Socialist structure of society and co-operation shall play a major role in making this journey to Socialism a speedy success. In his address to the Standing Committee of the National Development Council in January last, our great Prime Minister, Sri Jawaharlal Nehru made a pointed reference to the introduction of co-operation in industrial field also. Thus the frontiers of co-operative movement are going to cover up larger and larger areas of our national activity.

The concept of co-operative and collective approach to the socio economic problems of every-day-life was not unknown to the ancient Indian mind and our law-makers have put before the society the ideals of betterment of one and all individually and collectively.

But co-operation as understood in modern terminology is only of a recent growth. The first co-operative legislation was the Co-operative Credit Societies Act of 1904, later on amended (1912) to permit formation of societies other than credit. The post-war period gave this movement a special importance and significance and co-operation came to be recognised not only a "defensive act of association on the part of the individual citizens" but an instrument of thrift, self-help, self-reliance which are so essential for the success of a democratic way of life. The Five Year Plan provided it a very significant role in national reconstruction and development. It observed, "In a regime of planned development, co-operation is an instrument, which while retaining some of the advantages of decentralization and local initiative will yet serve willingly and readily the overall purposes and directives of the plan. It is an indispensible instrument of planned economic action in a democracy."

Co-operative movement in Rajasthan was first started in the erstwhile State of Bharatpur in 1915 followed by Kota in 1916 and later by the other covenanting States of Alwar, Bikaner, Jaipur, Jodhpur and Udaipur. Prior to the formation of Rajasthan the movement was unknown in Doongarpur, Banswara, Shahpura, Tonk, Pratapgarh and Jaisalmer States. Upto March 31, 1955 the movement touched only a small fraction out of the population of 153 lacs spread over about 34000 villages covering 1,30,000 sq. miles of area. Illiteracy, poverty, fuedal order, conservatism of the masses besides lack of trained staff and paucity of finance have been some of the raasons for the slow progress of co-operative movement in this State.

With the formation of Rajasthan, enactment of a uniform Co-operative Societies Act for whole of the State became imperative Accordingly State's Legislature passed an Act, which came into force from April 1, 1953. This has enabled the formation of key co operative institutions, so essential for the overall development of the movement.

There were upto 5960 co-operative institutions of all types with a membership of 1,91,163 in the State spreading over different areas of Rajasthan. In these 2493 were Agricultural Co-operative Credit Societies, 1457 Multipurpose, 506 Weavers, 453 Consumers Stores, 212 social service and 20 marketing co-operative unions over and above an Apex Bank at Jaipur and 13 Central Co-operative Banks. For non-agricultural credit, primary land mortgage banks, commission shops, ghee and milk farming, land colonization, khadi, hand-made-paper, housing and labour, there were a number of co-operative institutions in the State.

For the healthy growth of co-operative movement in Rajasthan and elsewhere financing has got to be placed on sound footing. In this direction establishment of an Apex Co-operative Bank for financing Central Co-operative Banks and societies in the State is an event of major importance. With an authorised capital of Rs. 20,00,000 including a State subscribed share of Rs. 5,00,000 the Apex Bank was registered in October, 1953. The State Government upto December, 1955 had not only purchased shares of this Bank to the tune of Rs. 5 lacs but had also taken on shares of the Central Co-operative Banks to the extent of Rs. 10,200 and of primary co-operative societies amounting to Rs. 30,350 Thus it will be seen that the total paid share capital of the Bank amounted to

Rs. 5,40,550. The Government also gave a subsidy of Rs. 9,000 to the Bank to meet its day to-day expenses. The net profit of the Bank amounted to Rs. 1,465 during July, 1954 to June 30, 1955. The paid up capital of the Bank rose to a figure of Rs. 5,93,520. During this year the Bank also took loans from the Reserve Bank of India to the extent of Rs. 17 lacs against which Rs. 17,94,100 were advanced to the Central Co operative Banks and a sum of Rs. 9,19,500 was with the approved commercial Banks in call deposits. There has been alround increase in the working of the Bank.

The paid up share capital of the Bank increased from Rs. 5,93,520 to Rs. 8,16,220. Similar is the case with the loans advanced to the Central Co-operative Banks and to societies and the amounts recovered. The very important feature of the Bank has been that there has been no default in the recoveries of either principal or interest from the Central Co-operative Banks and that the Bank maintained a uniform lending rate of 3½ percent per annum throughout the year.

The Bank during the half year ending December 31, 1955 showed a profit of about Rs. 7,679 and it is expected that by the close of the current year it will make further substantial profits and that it will not require any subsidy from the State Government for meeting its day-today working expenses now.

In the First Five Year Plan of the Co-operative and Rural Reconstruction Departments, the Government have sanctioned the following three schemes, expenditure of which is being met out by the State Government. The details of the sanctioned amount and expenditure incurred on these schemes are as under :—

Name of Schemes.	Sanctions			Expenditure incurred		
	Revised	1951–52	1952–53	1953-54	1954-55	1955 56 Upto 30.11.55
Co-operative Education ...	...	.04	.38	.24	.30	.30
Subsidies ...	10.00	.06	.21	.20	.32	.15
R.D Centres ...	10.00	2.00	1.75	2 05	1.78	.43

The working of the above three schemes is given below : —

Co-operative Education

At the time of formation of Rajasthan State and integration of its various departments the sanctioned strength of the Field Staff of this department was 9 Assistant Registrars, 48 Inspectors, 42 Auditors and 130 Assistant Inspectors. With the exception of one Assistant Registrar and 10 Inspectors, the remaining staff was untrained, To meet this situation a training scheme was sanctioned, according to which the Rajasthan Co-operative Training School was established at Jaipur in October. 1951 to impart co-operative training to the Auditors and Assistant Inspectors of the department. In this school 16 Inspectors, 36 Auditors and 186 Assistant Inspectors, all in all 238 personnel have been trained. The refresher course was attended by 50 Inspectors. 16 Auditors. 102 Assistant Inspectors and "non-officials. Training was also imparted to 30 group Secretaries and 36 clerks. In this way a sum of Rs. 1,27,000 had been spent on Co-operative Education. The arrangements for training of Assistant Registrars and Inspectors were made in Co operative Training College, Poona and Jullundur, the former institution is run by the Reserve Bank of India while the later by State heGovernment of the Place.

In the year 1954 55, the number of Assistant Registrars Inspectors, Auditors and Assistant Inspectors raised from 9, 48, 42 and 130 to 10, 60, 60 and 200 respectively. During the same year 9 Inspectors and 10 Assistant Inspectors were also made available by the Development Department to look after the work of Co-operative Societies in Community Development and National Extension Service Blocks, who were also to be trained.

Out of the above staff 6 Assistant Registrars, one Education Officer and 8 Inspectors were trained at Poona and two Inspectors at Jullundur so far.

Co operative Training was also imparted to the officials of the other departments at Village Level Workers camp, Jobner, Adult Education Teachers Camp, Srimadhopur, Extension Service Workers Camp, Sanganer, Staff of the Sheep and Wool Department and Workers of Palm Gur Department.

Besides, lectures were also delivered on 'Co-operation' at various colleges, schools etc.

Subsidies

Subsidy is generally given to the deserving co-operative societies in their initial stages or to face the loses of the societies which might have occured from time to time in odd circumstances to enable them to stand on their own legs in due course of time. The details of the subsidy given to the co operative societies during the plan period out of the funds provided for the purpose to the Department are given below.

Year	Amount Rs.
1951–52	6,388
1952–53	20,612
1953–54	19,820
1954–55	31,900
1955-56	15,000 To State Bank

Rural Development Centres

Originally 18 R.D. Centres were sanctioned by the Government at the time of formation of Rajasthan State. At present only 8 R.D. Centres are working and the remaining 10 centres have either been closed or merged into Commuulty Development or NES Blocks.

Up to the end of November 1955 Rs. 7.96 lakhs have been spent under the First Five Year Plan on the Centres for medical education, adult education, libraries and reading rooms, rural sanitation and cleanliness, cattle breeding and animal husbandry, social education, village industries, gardening and distribution of seeds, repair and construction of wells, tanks etc., and chaff cutters.

Organisation of Co-operative Societies

At the beginning of the First Five Year Plan i.e. on 1-4-51 there were 2 972 co-operative societies with a membership of 1,45,290 existing in Rajasthan as against 2,677 societies at the time of merger in 1949. Upto December, 1955, 6,045 Co-operative Societies with a membership of 1,93,484 and a share capital of Rs. 56,25,295 were registered thus exceeding the target of 6,000 co-operative societies set for the whole plan period.

Second Plan

Thus it will be clear from the above account that co operative movement in Rajasthan made an encouraging progress during the First Five Year Plan and this success encouraged us to formulate a bolder and broader plan for the coming five years in the State.

The long range objectives behind the 2nd Plan is that within a period of coming 15 years at least 50 per cent of the total business such as credit, marketing, processioning etc. should be transacted through co-operative effort. In the coming five years 500 larger sized agricultural multipurpose societies, 16 Central Co-operative Banks, 1,000 small agricultural credit societies, 50 marketing co-operative societies (lower level) and 2 co-operative cotton gins over and above some other co-operative units shall be added to the already achieved targets of the First Plan. This will bring 30 per cent of the villages of the State under the co-operative field benefitting 15 per cent of the population of the State.

These and other projects under the 2nd Plan shall ensure planned and steady progress of co-operative movement in the State, in the fields of credit, marketing, processing, cottage and small scale industries etc. These activities under the plan shall provide employment to 3,000 persons and cost the Government Rs. 290 lakhs including 118 lakhs given by the Reserve Bank of India as their contribution to the share capital. For this a sum of Rs. 172 lakhs will be raised by the State and Central Governments.

With the above physical and financial outlay under the sector of co-operation in Second Five Year Plan of the State we hope that we shall be able to place the hither to feudal Rajasthan on the road to co-operative way of life and thus we shall be fulfilling the task of attaining a socialistic pattern of society aiming at the good of all and exploitation of none.

CO-OPERATION—THE GURU

Co-operation is to be the educator of the poor—not merely by the means of a 'guru', paid, it may be, and appointed to teach the children reading, writing and arithmetic, but educating in itself, by bringing persons into closer contact with common objects in view, interested in the same common working, buying, and selling and therefore thinking together. For people, who work, buy and sell together are sure also to think and thereby to become educated. The mere common business in itself, conducted on co-operative lines educates. And one main of Co-operation is to train unbusiness-like people to business habits and to a knowledge of the principles and the conduct of business, in order that they may be enabled to look after and manage their own affairs and become provident and thrifty, able to calculate in their doings what brings gain and what loss and in Mr. Gladstone's 'sense to make themselves into men'.

H. W. WOLFF.

Some Suggestions to Develop Cottage and Small Scale Industries on a Co-op. Basis.

SRI C. M. JANARTHANAM, B.A., B.COM.
Associate Editor, The Madras Journal of Co-operation

In general, Cottage Industries and small scale industries may be classified into two categories (1) traditional village crafts, like carpentry, blacksmithy, pottery, country chekku, palm-gur, etc. (2) small scale industries aiming at large markets, like carpets match-box, palmyra products, metal trades, etc. Of these two, the latter are more amenable to co-operative effort.

The Cottage Industry Co-operatives are weak units and their working is not very economic and as such they do not attract members or offer them good service either.

Suggestions for Improvement

The efforts so far taken by the State as well as the Co-operatives have dealt chiefly with isolated segments of the problem; lacking a systamatic approach they fell short of making any appreciable impact toward the over-all advancement of the small scale industries.

A WELL-KNIT ORGANISATION. A suitable organisational set-up must be evolved. The primary societies should be knit into a Federation; the objects of the Federation should be the supply of raw meterials, small-scale machinery for the primary units; to arrange for the marketing of products: to extend credit; to establish workshops, demonstration centres and emporia; to co-ordinate every activity so as to promote the industry in an effective manner.

CREDIT. The State should participate in the co operative and should put in necessary block capital and venture capital. The long term and medium term requirements should be met by the State Industrial Corporation. The short term credit requirements for working capital purpose should be supplied by the Central and State Banks. The Reserve Bank, shall also supply short term finance to approved Cottage Industries as per Section 17 (2) bb of tne Act, provided the State gives guarantee in respect of principal and interest. Instalment credit should be developed and loans for the purchase of machinery and the improved production, etc. should be

given preference. Mobile Co-operative Banking Units should be created to dispense banking services in the remote rural areas.

SUPPLY OF RAW MATERIALS, MACHINERY, ETC. The Co-operatives should arrange to supply raw materials and tools required by artisans at cost: no credit sales should be made: The Regional Multipurpose Research Institutes should advise the co-operative in respect of type and quality of material to be procured.

MARKETING. The Co-operatives should accept member's goods on a consignment basis and arrange to sell them. Advances upto a certain percentage of value should be made on delivery. Members should market all their products through the Co-operative. Market promotion costs should be retained by the marketing co-operative.

SERVICE AND RESEARCH. The Government should start Multi-purpose Technological Institutes to meet the needs of research and basic technical assistance acting as Service Agencies and disseminate modern technological know-how through demonstration units and travelling industrial extension workers. Besides the Government should set up a National School of Designs, A Customer's Service Corporation, Export Development Organisation, a Small Industries Corporation and a Marketing Service Corporation. The above facilities should be made available for the Co-operatives. Besides the Government should place at the disposal of the Co-operatives trained personnel free of cost or full cost, depending on the economic position. Facilities for cheap procurement of raw materials and arrangements of small scale industrial trade fairs should be made by the State.

Linking Production to Markets

There is no proper marketing organisation for the products of small scale industries and considerable variations of quality are met with; the external market is confined to only highly artistic products like carpet, bidriware, etc. and even, there, the demand is erratic; in the internal market, because of the high cost of handicraft goods, the marketability is very restricted; besides the individual producers are very much scattered and their means and knowledge of marketing information is very inadequate; with the result, the cost of marketing becomes prohibitive. Hence production should be standarised and should be geared to consumer demand. As a measure of helping the industry to find its feet, the State should give preference to cottage industry goods by giving price and quality preferences. Foreign market preferences should be studied and production should move forward to meet the foreign demand by making suitable production changes in design and technique. Export Development Officers should attend to this task.

Common—Production Programme

There is no necessity for reservation of markets for cottage industrial products; but a common production programme may be drawn-up with respect to each industry and target of production in respect of the large-scale units and the small scale units may be defined and delimited. This takes the form of a closely integrated programme, in which the large scale and the small scale units are essentially complementary, which implies the principle of reservation of a sphere of work.

Standardisation

The quality of goods should be standardised. The proposed National School of Design and the existing Indian Standards Institute may be asked to prescribe specifications for standard goods and the Co-operatives and similar trade groups should adhere to the standards of production; Government may be a partner in this venture.

State Assistance

The State can help in the following ways :—

1. Provision of technical aid, knowledge and supply of marketing information.

2. Facilities for the cheap and continuous supply of raw materials (Korai grass was permitted to be removed by mat-weavers free of cost).

3. Grants for provision of equipment.

4. Deputation of staff and payment of grant to meet the establishment and contingent charges.

5. Organisation of Industrial Museums, Trade Fairs, etc.

6. Government Guarantee in respect of credit given by the Reserve Bank of India.

7. Preference to Cottage Industrial goods, when purchasing stores to Government Departments.

8. Government Guarantee for the loans taken from the Central Banks should be given; if necessary, the Cottage Industrial Co-operatives may be asked to contribute 1/16 per cent of the amount of the loan raised by them against Government Guarantee to a

Guarantee Fund. The Fund is to be utilised for meeting losses caused to financing banks as a result of these dealings and the surplus amount, if any, is to be utilised after a period of 10 years or when the need for a Government Guarantee does not exist, for the general benefit of these co-operatives. Already, the Ford Foundation Team has recommended the formation of an All-India Small Industry Corporation by the Centre with branches in the States, devoted to the servicing of small industry in field of Government Indents in all its purchase from industry. The Government of India have accepted this recommendation. How far Co-operative enterprises will benefit by this Institution is yet to be seen.

Ford Foundation Team

Most of the recommendations of the Ford Foundation Expert Team stem from the central idea that private initiative should be encouraged to the fullest; as a part of this general policy, the Report underlines that co-operatives should stand on their own feet and that Government subsidisation of the Co-operative Movement is the kiss of death; it further states that Government should withdraw from a paternalistic and functional attitude toward Co-operatives and from direct organisation of them. In the field of Co-operative education, however, the Government can be of important assistance. The above form the crore of their observations regarding Co-operatives; That apart, their recommendations regarding improved production, quality control, design, marketing, procurement, export, servicing, credit, finance etc. are calculated to make the Small Industries move forward. Co-operatives. can take advantage of the several services, provided by the various organisations.

The Agencies of Development—A Comment

The All-India Khadi and Village Industries Board administers several schemes for the promotion of Cottage Industries like Khadi, hand pounding of rice, village oil industries, soap making with neem oil, bee keeping, gur making, hand made paper, leather, match etc. The Government of India placed at its disposal Rs. 1,89,00,635 for 1953-54. The Board will be resposible for preparing and organising programmes for the production and development of Khadi and Village Industries including training of personnel, manufacture and supply of equipment and raw material. marketing and research and study of economic problems of different village industries. The assistance by way of loans and subsidies may availed of by the Co-operatives of the State. Similarly, there is an Handicrafts Board, which advises the Government on the problems of handicraft industry, particularly for the improvement and development of production as also for the promotion of sales in India and abroad.

Lastly, a Small-Scale Industries Board has been constituted to implement the recommendations of the Small-Scale Industries Planning Team, Ford Foundation.

While the Khadi Board is strictly Ghandian, the Handicrafts Board is oriental, the Small-Scale Industries Board is profoundly Western and rational in its approach. The bewildering variety of these organisations and their programmes may baffle even the most vigilant and well informed. We should suggest that there should be one organisation at the Centre to assist effectively the Cottage and and Small-Scale Industries.

Karve Committee's Recommendations

In the First Five Year Plan an attempt was made to set out the lines along which development programmes for village and small industries could be undertaken as part of the national plan. During the past three years new organisations for implementing and guiding these programmes have been at work and useful experience has been gained. In relation to the considerably larger programme of village and small scale industries to be carried during the Second Plan, the various problems and the development programmes have been recently reviewed by a Committee appointed by the Planning Commission. The Report of the Village and Small-Scale Industries (Second Five Year Plan) Committee, under the Chairmanship of Prof. D. G. Karve has considered questions bearing on the basic approach towards the development of village and small scale industries in the context of planned economic development and has carried a stage further the statement of policy formulated in the First Five Year Plan.

In making its proposals, the Committee kept three important aims in view, namely:—

(i) to avoid as far as possible, during the period of second plan further technological unemployment such as occurs, specially in the traditional village industries;

(ii) to provide for as large a measure of increased employment as possible during the plan period through different village and small industries ; and

(iii) to provide the basis for the structure of an essentially decentralised society and also for progressive economic development at a fairly rapid rate.

In a transition economy, it is essential that the unemployment should not be allowed to aggravate the situation. Further, this consideration should not in any way be an hindrance to improve the techniques of production for only then, a progressively efficient and decentralised system of industry can be evolved. A third consideration is that the charge over should not be too heavily capital intensive. The Committee have examined these problems in a realistic way and laid the emphasis on the village and small industry sector to supply the ever increasing demand for consumer goods. The accent on the need and desirability of small industries as the supplier of consumer goods is the original and daring approach to the problem.

The surplus population in agriculture must be drawn off and switched over to non-agriculure productive work. The most natural way of bringing this about is to provide as near to the village as possible means of non-agricultural productive employment. The progressive expansion and modernization of rural industry can be most economically brought about by the spread of small industrial units, along with the necessary services, among the big villages or small towns located all over the country. Co-operative organisation is the most suitable agency to effect this process. "A steadily expanding federalization of economic life on a decentralised, and wherever possible, on a co-operative basis is to be desired not only for maximising the scope for efficient utilization of human and other resources but also for making a democratic control of economic life possible." The recognition of the principle that in the economic sphere, federalisation is possible only, through co-operative organisations is one of the most significant policy decisions of recent times. The Committee had also laid down the following procedural frame work to carry out its suggestions.

(1) It has recommended the early implementation of rural electrification schemes as a measure of transforming Indian economy into a progressive yet decentralised and co-operative structure.

(2) It has advocated a cautious policy of licensing of plants, which have a direct and vital bearing on the development of village and small scale industries.

(3) It has suggested the establishment of a well designed buying and selling organisation with branches in all parts of the country.

(4) The Co-operative system should be so strengthened with suitable state assistance, that it should be in a position to work out a scheme of 'support prices' for the products of village and small scale industries.

(5) The Co-operative Development Board and the Warehousing Corporations should prove very serviceable in working out a scheme of providing floor prices for selected goods of common consumption produced in the co-operative sector.

(6) While in the initial stages, direct State financing has a legitimate role to play, anything in the nature of a normal programme of developmental finance must be operated through institutional channels.

(a) A special cottage industries section should be set up as an essential part of the structure of each Finance Corporation, which will provide long-term credit.

(b) As the entire credit structure for rural development constitutes an integrated service it is best to utilise to the maximum possible extent, the same set of institutions for industrial as well as agricultural finance in the Co-operative sector. Governments as well as national institutions like the Reserve Bank of India and the State Bank of India are likely to find such an arrangement both more convenient and more secure.

(c) The Reserve Bank of India would have an overall responsibility for this publicity sponsored programme of financing rural and co-operative industry in the same way as it now has in the sphere of agricultural credit. The provisions of Section 17 (2) (bb) of the Reserve Bank of India Act should be availed of increasingly.

(d) To ensure proper co-ordination, a concerted financial policy should be chalked out at as early a stage as possible by the Reserve Bank of India, the State Bank of India, State Finance Corporations and the Central Co-operative Banking Institutions.

(e) The financial assistance, long term, medium term as well as short term also by way of guarantees, offered

directly by the State, will play an important role in the financing of village and small scale industries till a new integrated structure of institutional credit for the small scale producer has been drawn up.

(f) In order that the integration of rural industrial development programmes should be effective at all stages viz., purchase, equipment, finance, storage, marketing etc. State participation in the Industrial Co-operatives is an essential pre-requisite. Such State participation will convince the artisan that the State is backing the programmes of ordered transformation of village and small scale industry.

(g) The fillip given to the village and small scale industry by the State will induce the Commercial Banks and other financial agencies to become familiar with the business and extend normal business credit to them.

These are the salient recommendations of the Karve Committee and we hope that the implementation of the suggestions would go a long way to build the base of industrial co-operative democracy on strong and solid foundations.

The Tudiyalur Rural Co-op. Bank, Ltd.

SRI A. PALANIAPPA MUDALIAR, M.A.,

Registrar of Co-operative Societies, Madras.

The Tudiyalur Rural Co-operative Bank is one of the earliest Banks to be started in pursuance of the scheme sanctioned by Government for the starting of 25 Rural Co-operative Banks on guaranteed liability. This Bank was registered on 29-4-55 and started work on 5-5-55. Sri K. Kamaraj Nadar, Chief Minister, Madras inaugurated the Bank.

The area of operations of the Bank extends to four revenue villages which all lie within a radius of 3 miles from Tudiyalur. Situated as it is in an important village, and with a set of enthusiastic directors, the Bank has made appreciable progress in the last nearly one year.

Membership and Share Capital

The Bank commenced its business with 366 members and a paid up share capital of Rs. 28,600. The membership and paid up share capital have been steadily increasing and there are now 634 members with a paid up share capital of Rs. 42,330. The Bank is taking steps to increase its paid up share capital to Rs 50,000 very soon by admitting new members and by collection of additional share capital from the existing members.

Deposits and Borrowings

Fairly good progress has been made by the Bank in tapping local deposits. It has provision for fixed, current, savings, recurring, homesafe, and day deposits, as well as chit fund deposits. Deposits have been made by both members and non-members under all the categories of deposits. The total deposits held by the Bank amount to Rs. 81,600 on date and the Bank is trying to raise more funds by way of deposits. The Bank has also raised loans from the Coimbatore District Co-operative Central Bank to the extent of Rs. 78,085 for the issue of loans to the members.

Loans

The Bank has made substantial progress in the issue of loans as shown below :

		Amount issued. Rs.
(a) Mortgage loans	..	1,05,860
(b) Jewel loans	...	92,610
(c) Deposit loans	...	5,919
Total	...	2,04,389

The Bank has since made provision for 'B' class membership to enable villagers to become members by paying a nominal share capital and raise loans on the pledge of gold jewels. The transactions under jewel loans are expected to increase substantially. The Bank will also take up the issue of loans on the pledge of agricultural produce when godown facilities are secured by it.

Other Activities

The Bank undertakes the collection of bills on behalf of its members and constituents. Other activities such as distribution of chemical fertilisers, agricultural implements, etc. could not be taken up by the Bank for want of godown and building facilities. The Bank has therefore decided to put up its own building with godowns.

General

The Board of Management of the Bank consisting of 9 members was nominated by the Registrar of Co-operative Societies, Madras for a period of three years. The Bank has been given the Services of a Senior Inspector of Co-operative Societies free of cost and he is working as Secretary of the Bank.

The establishment of the Rural Co-operative Bank in the Tudiyalur Village has gone a long way in providing not only cheap credit but also prompt credit. The objects with which the rural bank has been started have been fullfilled to a very great extent. The Bank has been able to raise substantial funds by way of share capital from members, deposits from both members and non-members and to inculcate the habits of thrift and banking among the villagers. When the Bank puts up its own building and godown it will serve the needs of the villagers more effectively by undertaking the distribution of their agricultural requirements.

A Note on the Working of the Tanjore District Co-op. Cotton Marketing Society Ltd.,

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

The Cauvery Delta comprising the district of Tanjore and a portion of South Arcot and Tiruchirapalli Districts is noted for its paddy cultivation. But paddy, not been a commercial crop is found not quite remunerative. In order to supplement the income from paddy cultivation, the Agricultural Department has introduced a scheme of rotation of crop by which cotton cultivation is done during the off-season after the paddy is harvested. A special variety of short duration cotton from Punjab viz. P. 216 F is being cultivated in compact blocks which are having facilities for power irrigation.

2. The cotton seeds are lodged in holes in a row at a distance of 6" to 8" between two holes and covered with loose earth in a wet condition. The moisture in the field enables the seeds to sprout out into plants and it is also said to be generally sufficient for feeding the plants for nearly a month thereafter. After a month, the fields are surface-irrigated, if there has been no rain in the meantime. After some time when the soil is found fit for the purpose, the inter-space between the rows of the cotton plants as also the space between the plants is picked well and is allowed to dry. Farm-yard manure as also ammonium sulphate is applied to the plants and the field is again irrigated. Periodical watering thereafter by every 10 to 15 days is necessary, if there is no rain during the period. The plants begin to put on buds and the bolls begin to burst in the sun, during the period commencing from April till the end of June. They are picked up and the cotton kapas gathered. They are given a good drying and kept heaped up loose in a dry dustless place. The plants can also yield a second crop which will be generally in the months of July and August. After the second yield is over, the cotton plants are ploughed into the fields and the field is made fit for transplantation with paddy seedlings after applying the required fertilisers or other green manures.

3. The problem after harvesting is the marketing of the produce. Unginned cotton kapas can no doubt be sold to private buyers acting through brokers but the prices offered will be low.

If on the other hand, the cotton kapas is ginned, the price will be more favourable to the ryots. To achieve this, a co-operative society has been formed.

4. The Tanjore District Co-operative Cotton Marketing Society was registered and started on its work on 20-7-52, with head-quarters at Aduthurai. The society has installed four ginning machines. The area of operations of the society extends to the whole of the Tanjore, the Tiruchirnpalli and the South Arcot Districts. The growers of cotton are admited as members with a view to enable then to market their produce through the society at a favourable price. As soon as the harvest is over, the members deliver their cotton kapas to the society which are wieghed and acknowledged. After weighment stains or bad kapas are picked out from each and all the stains so picked are kept separately for ginning at a later date. The cleaned kapas is then ginned and the seeds obtained from each lot are kept separate, while after recording the weight of the lint of each lot, the lint of all the members is put into borahs after which they are made ready for sale. In effecting sales of lint, the system of calling for firm quotations is adopted. In accordance with the prevailing market rate at the time of disposal, the lint is disposed of at the highest quotation after obtaining the opinion of the members of the Purchase Committee which also acts as the Sales Committee. Advice in this regard is also obtained from the State Marketing Officer and the Tiruppur Cotton Marketing Committee. The sale proceeds are distributed to the members in proportion to the quantity of lint obtained by each. The seeds obtained after ginning are sold to the Agricultural Department for seed purposes or to others or to the members themselves, if they require them for use as cattle feed. For the work undertaken on behalf of its members the society collects fees at 0 0 6 per lb. of kapas towards ginning charges and 0 0 3 per lb., of kapas towards godown charges.

5. The benefits derived by the members from the services of the society are obvious. Lints that were selling at rates ranging from 0-5-0 to 0-6-0 per lb., when sales were effected through private dealers, are now sold at 0-7-9 per lb. Besides, loans are being advanced to the members for cultivation expenses, on the pledge of their cotton produce. A sum of Rs. 2,516 was issued as loans during the year 1955-56.

6. The management of the society vests with a Board of Directors consisting of nine members and the Deputy Director of

Agriculture, Tanjore is an ex-officio director. Government have been pleased to provide the society with the free services of a Senior Inspector of Co-operative Societies to work as its Secretary and an Agricultural Demonstrator to develop seed multiplication and advise members on the methods of cultivation etc. A statement showing the progress of the society from its inception upto 30-6-1955 is given below:—

Year	Membership	Share Capital	Total qty. of Kapas received	Quantity of stains removed	Kapas actually ginned
		Rs.	lbs	lbs.	lbs.
1952–53	388	21,480	1,14,414	6,610	1,07,804
1953—54	415	21,500	80,987	6,203	80,987
1954—55	428	21,670	58,581	3,598	58,531

Year	Lint obtained	Seed obtained	Lint sold	Seeds sold	Seeds taken by parties	Sale proceeds distributed to members at rate per lb.
	lbs.	lbs	lbs.	lbs.	lbs.	Rs A. P.
1952–53	35,402	71,970	35,402	41,434	30,536	0 7 4
1953—54	25,440	58,474	25,440	6,830	47,174	0 7 9
1954—55	18,020	39,989	16,979	22,498	17,491	0 7 9

7. With the assistance of the departmental Senior Inspector and the Agricultural Demonstrator it is expected that the society will continue to help the cotton growers in the area to a greater extent.

Proceedings of Co-operative Employees' Societies Conference, held on 3-6-'56 at Madras

WELCOME ADDRESS

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

President, The Madras District Co-operative Central Bank, Ltd.

Dr. P. Natesan, President of the Madras District Co-operative Central Bank, welcoming the Minister and others recalled the keen interest taken by the Minister in the progress of the co-operative movement in the State and the several new schemes in co-operation which the Minister had introduced for the benefit of the people, through co-operative channels. He then made a pointed reference to three important issues. Firstly, he referred to the need for examining the case for consolidation of loans favourably. Secondly, he stressed the necessity for an expeditious system of efficient and concurrent audit. He underlined both the words "efficient" and "concurrent" and requested the Registrar to make arrangements to complete the audit of all societies within a period of three months from the completion of the Co-operative year. Thirdly, he made an appeal to the Registrar to conduct a special condensed training course for the benefit of experienced personnel, who have had no regular co-operative training.

INAUGURAL ADDRESS

SRI A. B. SHETTY'S SPEECH

(Minister for Health and Co-operation, Madras)

Gentlemen and Brother Co-operators,

I am thankful to the President and other members of the Board of Management of the Madras District Co-operative Central Bank for giving me the privilege of opening this conference and affording me an opportunity to meet the representatives of employees' co-operative societies in the Madras City. A conference of this kind is very helpful to take stock of the past achievements of the societies, to plan for their future and to find solutions for the common problems connected with the working of such societies.

2. Co-operation as you know is a business organisation. It is a live movement rich in promise. It is essentially a system based on self help and mutual help. In a welfare state like ours, the great

role that the co-operatives have to play for the attainment of the economic freedom for all classes of people leading to the cherished goal of a socialist pattern of society is recognished more and more not only by economic experts but also by our administrators. You are aware that for our state, a comprehensive scheme has been drawn up and included in the Second Five Plan for the development of co operatives. In an agricultural country like India, it is but natural that the developmental activities of the Government aim mainly at the economic resuscitation of the rural population; and many of the schemes drawn up for co-operative development I should say, pertain to the various economic and social activities of our villages. This does not however mean that the problems of the urban people especially those belonging to the middle and lower middle classes have been neglected. It is an admitted fact that the lack of housing facilities is one of the outstanding problems so far as the urban areas are concerned. I am glad that the co-operatives have been tackling this problem satisfactorily, especially, during the past five years by providing housing facilities to the people residing in urban and semi-urban areas. The various housing schemes undertaken by the co operatives in this State are proposed to be accelarated during the Second five year plan period. These housing schemes include the Government of India's scheme of housing for low income groups and for the Industrial workers. I hope that those with a fixed monthly income like the members of your societies will avail themselves of the facilities provided by these schemes and benefit themselves by constructing houses of their own.

3. Coming to the subject of employees' co-operatives, I am glad to note that the Credit structure of the movement has taken a firm root in urban and semi-urban areas as in the rural areas. Urban credit societies are composed of urban banks, and employees' societies. The employees' societies are formed for the benefit of employees' of commercial houses, firms, stores, departments of Government, local bodies, etc. These employees taken as a class are generally men of limited means with common economic problems such as provision of funds for domestic expenses, medical relief, educational facilities for children etc. Most of them have to borrow for these purposes. But the terms and conditions under which they obtain loans from the professional urban money-lenders whom many of the employees are often obliged to approach, are always exhorbitant and usurious These professional money-lenders generally

induce the employees to borrow very often for purposes which they can well avoid, and compel them to repay when they are absolutely helpless. It is, therefore, for employees themselves to make every effort to reduce at least if they cannot give up, unnecessary and extravagant expenditure. I do not for one moment assume that the employees with limited incomes can get on without borrowing especially during these days of high cost of living, but in their own interest, I should like to exhort them to restrict their borrowings to absolutely necessary purposes and essential requirements of life which cannot be avoided and for which no provision can be made by them from their normal resources. It is also necessary that such class of people should have facilities to borrow on the most advantageous terms available. I should say that the employees' co-operatives are the best suited agencies for satisfying the credit requirements of the employees on terms and conditions most advantageous to them. These societies have been playing a really useful part in the economic development of the urban community; they promote thrift among the middle and lower middle classes, tap a large amount of urban capital, provide banking facilities and advance loans at reasonable rates of interest on diverse forms of securities. Some of the employees' societies specially public servants societies, admit members from a large area, the want of proximity among their members being made up by the mutual knowledge and control consequent on their association in a common service. Many of these societies ensure prompt repayment of loans by requiring their members to authorise their employers to deduct their dues to the societies out of their pay, a provision which the members generally recognise and welcome as a wise assistance to their own sense of punctuality and honesty.

4. Gentlemen. I have had the pleasure of going through some statistical particulars relating to the progress of your societies. It is really pleasing to note that the employees' co-operatives have made a marked progress in this state. Indeed it cannot be otherwise in societies of this type having educated persons as members and enthusiastic directors on their Boards of management. According to official statistics, there were 503 employees' co operative societies in the state on 30-6-55 with a membership of 2.35 lakhs and a paid up share capital of Rs. 118.45 lakhs. Their Reserve Fund and other funds amounted to Rs 36.48 lakhs. A sum of Rs. 158.33 lakhs was held under thrift deposits accumulated by the members, which work out to more than 32 per cent of the total loans outstanding against them at the end of the year. This is a happy sign and is indicative

of the fact that the members are not only anxious to borrow but also to save something as a stand-by. The owned capital of these societies together with their members' deposits amounted to Rs. 424.74 lakhs which represents nearly 75 per cent of their working capital of Rs. 566.79 lakhs. This is again another good sign which shows that the societies in our state depend for funds more on their own resources than on bank-credit. The outstandings against the members under loans were Rs. 492.19 lakhs. The percentage of overdues to demand was only 3.08 per cent on 30-6-55. This low percentage of overdues, I believe, is due to the happy co-operation between the employers and the employees in the matter of recovery of the monthly instalments and I hope that ere-long the societies will be in a position to declare that there are absolutely no overdues at the end of the year. Out of 503 employees' societies in the State 52 are for employees of industrial Mills, 120 for employees of other business concerns, 152 for Government servants and the remaining 179 societies for the employees of local boards and municipalities. Co-operative societies for the employees of Mills and other industrial concerns besides providing credit, supply the domestic requirements of their members. I am told that during the year 1954-55, these societies supplied domestic requirements and other consumer goods to their members to the tune of Rs. 5.32 lakhs. The volume of business done in this direction is apparently negligible compared to the large transactions these societies had during the control period. I should presume that after decontrol, the members are looking to private merchants for their domestic requirements. If the members intimate to these societies, their monthly requirements, in advance, I believe, there will be no difficulty for the societies to undertake distribution on indent system without resorting to outright purchase and sale in which certain amount of risk is involved especially in these days of free trade and keen competition. By this way, the members can be assured of the supply of good articles at competitive rates.

5. The city of Madras stands second to none in the development of employees' co-operatives. On 30th June 1955, there were 88 societies in the city with a membership of 1.17 lakhs and paid up share capital of Rs. 71.15 lakhs. Their Reserve Fund and other funds amounted to Rs. 20.18 lakhs. The deposits held by them from their members and non-members were merely 219 lakhs of rupees while their borrowings from their financing bank were below

Rs. 25 lakhs. The working capital amounted to Rs. 335.24 lakhs while the loans outstanding against the members exceeded Rs. 313 lakhs. The thrift deposits contributed by the members every month out of their salaries or wages were Rs. 138.43 lakhs which formed 44 per cent of the loans outstanding against them. The deposits from members alone were nearly 57 per cent of the loans outstanding against them. The percentage of overdues in respect of the loans due by the members was only about 3 per cent which is slightly below the state average of 3.08 per cent. On the whole I find that the employees societies in the city have a strong financial structure. They have also taken effective steps to inculcate the habit of saving and promote thrift among their members. I congratulate the office-bearers and the members of these societies on the splendid way in which work is carried on in these institutions.

6. While in the term of deposits raised by the employees societies and their loan transactions, it can be said that their general working is satisfactory ; there are certain aspects of their working on which greater emphasis should be laid and better attention should be bestowed in order that the material and moral condition of their members could be substantially improved. The employees societies are intended more to inculcate habit of saving and to promote thrift among their members by setting apart a fraction of their earnings every month. It is unfortunately too often the case that the facility to borrow creates the desire to borrow more and more and there is borrowing to the hilt. In such a context of human nature the importance of compulsory thrift is too obvious. Thrift is a pre-requisite of all co-operative credit. The societies should therefore regulate their business in such a way as to restrict credit and develop thrift and other activities in the interest of the members. I am told by your Registrar that for the sound working and development of the employees co-operatives, he has recently made certain suggestions to the societies according to which greater emphasis will be laid in promoting thrift among the members with a view to providing them prompt credit for various purposes. You are aware that unlike the loans issued by the village co-operatives to the agriculturists, the loans taken by the urban people especially the employees are mostly consumption loans. Unless the loans so taken are utilised for genuine purposes and not to diverted to wasteful expenditure and an earnest attempt is made for savings through thrift deposits, homesafe deposits etc. the indebtedness of

the employees will be a permanent feature from which they cannot extricate themselves by any amount of credit provided by the co-operatives. It should, therefore, be the aim of the employees to borrow only when absolutely necessary and to put forth their best efforts to save something in the meantime.

7. I find that in regard to the working of your institutions and for regulating the future policies and programmes, various resolutions have been tabled by the employees' societies in the city on diverse subjects. I hope that these resolutions will be duly considered and suitable decisions taken in the best interest of the members. I am sure that your deliberations under the able guidance of the President of this Conference will result in wise decisions being taken for the further development of these employees institutions. I thank you once again for giving me this opportunity to inaugurate your conference.

PRESIDENTIAL ADDRESS

By Sri Medai Dalavoi Kumaraswami Mudaliar

Honourable Minister for Co-operation, Dr. Natesan, Mr. Palaniappa Mudaliar and brother co-operators:

It gives me genuine pleasure to associate myself with this Conference of the representatives of Employees' Societies in the City. I am thankful to Dr. Natesan and his colleagues on the Board of the Madras District Co-operative Central Bank, Ltd. for having given me this opportunity by requesting me to preside over the Conference which is the first of its kind.

There are, in the City of Madras about 88 Employees' Societies with about 1,20,000 members. These societies had not so far an opportunity to meet together and discuss the problems which are common to them. Thanks to the suggestion and initiative of our popular Registrar, Mr. Palaniappa Mudaliar whose enthusiasm for the development of the Movement is unbounded, it has been possible to-day for us to meet together and discuss various questions that affect the interests of the employees' societies. The Registrar felt in time the need for a Conference of this kind and suggested to the Madras State Co-operative Union the desirability of convening this Conference. As the employees' societies are almost affiliated to and financed by the Madras District Co-operative Central Bank, we thought that it would be more appropriate to convene this Conference under the auspices of the Madras District Co-operative Central Bank.

Since the Conference is being held in the capital city of the State besides being the first of its kind. it is but proper that it should have been inaugurated by our Minister for Co-operation, Honourable Mr. A. B. Shetty under whose guidance the Co-operative Movement in our State is making rapid and unprecedented progress. I am sure that with such a happy beginning the Conference will discuss the various problems peacefully and arrive at happy conclusions.

Some of the problems common to the employees' societies are: procedure for sanction of loans, fixing period of repayment of loans, renewal or conclusion of loans, adjustment of value of additional shares from the loans sanctioned, periodical confirmation of assets and liabilities of members. etc.

In the matter of sanctioning loans, I understand that there is no uniform procedure. While in some societies the Individual Maximum Borrowing Power is limited to 4 or 5 times the salary of a member, in some societies the Individual Maximum Borrowing Power extends upto about 8 times the salary of a member. The Conference may discuss this aspect carefully and come to a decision regarding a uniform procedure which could be adopted by all the societies. Similarly the conference may discuss the period of loans and questions relating to the renewal or consolidation of loans and arrive at healthy conclusions. In many societies, the existing practice is to adjust the value of additional shares from the loans sanctioned. This does not appear to be a desirable practice in my view. You may well be aware that for a person to be creditworthy, he must possess three C's namely Character. Capacity and Capital. If the sanction of a loan to a member is to be related to the amount of share capital held by him in the society, it is incumbent on the part of such a person to have the required amount of Share Capital in the society before the loan is disbursed to him. Another important point to be considered in the matter of sanctioning loans in the employees' societies is the purpose for which the loans are issued. There is a general feeling that the loans issued by the employees' societies are all "CONSUMPTION LOANS" and that they should be discouraged.

The Co-operative Movement was originally introduced in our country with the modest object of providing cheap credit facilities to the agriculturists. But, later it was realised that the salaried persons in towns and cities also needed cheap credit facilities and thus we find a number of urban banks and employees' societies working successfully in towns and cities. It is often argued that the employees' societies encourage members to borrow recklessly and make them perpetually indebted. There is no doubt, some element of truth in this argument. In Co-operative finance, the emphasis is always on " Productive Credit " (i.e. a credit the spending of which will easily earn its repayment). While productive credit is to be encouraged in order to increase the productive capacity of the villager and consequently his income, issuing of consumption loans becomes a necessary evil in the interest of the production itself. The income of a majority of the salaried persons is limited. At times they have to meet heavy items of expenditure like purchase of clothing for the members of their family, educational expenses, medical expenses, expenses in connection with the ceremonial functions, etc.

To meet these kinds of expenses the monthly income of a salaried official is certainly inadequate. He needs, therefore cheap credit facility which would enable him to meet these types of expenditure and repay the loan in easy instalments out of his monthly income. Expenses of this nature could to a certain extent be classified as productive expenses, for without incurring some of these items of expenditure it may not be possible for a person to keep himself in a position to earn his living. I may only say that loans should not be taken for wasteful expenditure. Members in the employees' societies should borrow only when there is actual need and when they feel they must. They should not resort to borrowing just because they can easily borrow from these societies. I am well aware that borrowing in an employees' society is a very simple and easy affair. Most of the societies have arrangements with the Pay Disbursing Officers of their members for recovering the societies' dues from the monthly salaries of the indebted members. Supervision of borrower's conduct and careful scrutiny of the purpose of the loan and its application after sanction which are the essential principles of Rural Co-operative Credit are unknown in employees' societies since they serve a larger number of members. The Employees' Societies are content with the agreements of the Pay Disbursing Officers and sanction loans without caring to find out for what purpose the loan is required and how the loan amount is spent when sanctioned. Such a scrutiny is, of course, impracticable. It is, therefore, upto the members themselves who are mostly educated to see that they do not get heavily indebted to the society

without any real need. At this stage I may refer to the difficulty experienced by some emplyees' societies in the matter of recovering the dues from the members. In spite of the existence of the facility to recover the dues from the salaries every month, there are cases of heavy overdues in some societies due to some technical legal difficulty in recovering the dues fron the salary when such a recovery is objected to by the borrower. To tide over these difficulties, some of the societies seek piecemeal legislation to legalise such a recovery.

Whatever may be the justification for such a demand, the absence of the feeling on the part of a member that it is his sacred duty to repay without any compulsion what is due by him to the society is deplorable. This sad state of affairs is due to the lack of proper education and moral character among the members. The members should realise that by defaulting to pay their dues they are doing a disservice to their fellow-members in the Society, which is not the principle of co-operation. It must be remembered that the co-operative movement is also an ethical movement. The co operatives should, therefore, aim at raising the moral level also of the members.

Side by side with the credit activities, the employees' societies should develop various types of banking functions so that the members need not go to any other bank for any kind of banking service. In certain advanced countries like Germany, the employees' societies themselves undertake all kinds of banking functions, which only very big commercial banks undertake in our country. To begin with, our employees' societies should concentrate upon some banking activities of particular importance such as acceptance of Current, Savings and Fixed Deposits, etc. so that they could by stages undertake expansion of their functions. The societies should lay great emphasis on the promotion of thrift which is one of the cardinal principles of Co operation. Every member should compulsorily be made to subscribe towards the thrift fund every month at an accepted rate. The by-laws of the employees societies provide for the subscription towards thrift fund by the members in accordance with certain scales prescribed. The scales prescribed in the by-laws should only serve as a minimum and the members should be free to subscribe even more if they can afford. The by-laws could be suitably amended to provide for such extra subscription.

Gentlemen, I have made a brief reference to certain aspects that are concerned with the activities of your societies. I do not wish to take much of your time by inflicting upon you a long speech. We have a number of resolutions on hand for the discussion of which I am afraid, lot of time may be needed. The Registrar will be presently addressing you and I am sure that with his wide experience he will be in a position to give us some valuable suggestions which may serve as a guiding factor while considering the various resolutions before us.

REGISTRAR'S ADDRESS

SRI A. PALANIAPPA MUDALIAR M.A.,

Registrar of Co operative Societies, Madras.

Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, said the Employees' Societies in Madras State were on a firm footing. They had a large membership and transacted a huge volume of business. They were very important for the economic development of the employees. Besides providing loans to members they promoted thrift habit among them.

Sri Palaniappa Mudaliar said the idea of these Societies was to offer a helping hand to their members through loans when they were in certain difficulties and borrowing by members for all purposes should not be encouraged. He said a limit for borrowing should be so fixed as to prevent any huge deductions being made from the monthly salary of the members. In addition to the thrift fund, other forms of withdrawable deposits for specific purposes could be taken by the Societies. He preferred one society for each department of the Government instead of one society for various departments.

The conference then passed resolutions relating to the procedure for sanction of loans recommending increased interest on fixed deposits, for the compulsory recurring deposit of members, consolidation of loans and other matters pertaining to the administration of the employees' co operatives.

RESOLUTIONS PASSED AT THE CONFERENCE

1. Resolved to request the Registrar to fix Rs. 1,000 as the maximum amount that can be held by any member as share capital in a society.

2. Resolved that the individual maximum borrowing power be fixed at 8 times the basic pay or 6 times of the paid up share capital whichever is less subject to a maximum of Rs. 2,000.

3. Resolved that the rate of interest on Recurring Deposits be enhanced from $3\frac{1}{2}$ per cent to $4\frac{1}{2}$ per cent.

4. Resolved to request the Registrar to fix the following scale as minimum be adopted for compulsory Thrift Fund subscription :

Pay for the month. Rs.	Subscription. Rs. A. P.
1 to 50	0 8 0
51 to 100	1 0 0
101 to 200	2 0 0
201 to 300	3 0 0
301 to 400	4 0 0
401 to 500	5 0 0

5. Resolved that a member can stand surety at 8 times of his substantive pay or 6 times of the paid up share capital whichever is less.

6. This Conference suggests that in societies where the Directors are not easily available to sanction loans, a sub-committee be formed by the Board of Management of such societies delegating powers to sanction loans and that emergent loans be sanctioned by the President and Secretary subject to the ratification by the Board.

7. Resolved that the period for repayment of loans be fixed ordinarily as 30 months and in special cases 36 months.

8. Resolved to request the Registrar to examine the position of consolidation of loans and issue instruction in as favourable a manner as possible.

9. Resolved to request the Registrar to examine the possibility of granting of loans on the security of Thrift Deposits where the depositor is not indebted to the society either as principal borrower or as surety.

10. Resolved that the Government be requested to make suitable provision in the Act to allow recovery from salary of members on account of societiee.

11. Resolved to request the Registrar to arrange for condensed course of training at the Central Co-operative Institute for the benefit of the untrained personnel who are already employed by various societies in the City.

12. Resolved that the Registrar be requested to get the Co operative Societies Act amended to provide for reciprocal execution of decrees in Andhra and Madras State.

13. Resolved to request the Registrar to issue instructions to all primary societies to make provision in their by-law for non admission of persons who have dismembered themselves just for the purpose of taking back their Thrift Deposits until the expiry of 2 years from the date of their ceasing to be members. Such persons, may however be admitted as members at the discretion of the Board of Directors provided they remit to the society the entire amouut of Thrift Deposits taken back by them from the society.

14. Resolved that the periodical confirmation of assets and liabilities of members be obtained at least once a year.

15 Resoved that the Registrar be requested to adopt uniformity in the by-laws relating to different Employees' Societies.

16. Resolved to request the Registrar that every employees' co-operative society be permitted to have House Construction Scheme under co-operative basis as a part of its activities.

17. Resolved that the Conference of the representatives of Employees' Societies in the City of Madras be convened every year.

18. Resolved to request the Registrar of Co-operative Societies. Madras to request all commercial employers in the City of Madras.

(a) to accept their moral obligation in recovering the societies demands from their employees' salaries;

(b) to give utmost priority in the matter of recovery from the employees' salaries, gratuities, etc., due by them to the employers when the employees retire, resign or otherwise leave the services prior to the liquidation of the loans taken by them from the societies.

(c) to adopt an uniform procedure in the percentage of recovery towards the societies demands from their Employees' Salaries.

(d) to provide all the requisite facilities to the Societies for their proper maintenance such as accommodation etc.

19. Resolved to request the Registrar of Co-operative Societies, Madras to issue instructions to all the Employees' Societies in the

City of Madras, to adopt an uniform procedure in the matter of issuing receipts for all monies received by them as under:

(a) for all monies collected and remitted to the societies by the Employers receipts shall be issued only to the Employers;

(b) for all monies received by the Societies directly from the members receipts shall be issued to the members;

(c) all members shall be provided with a Pass Book and entries shall be made therein then and there whenever transactions take place or adjustment receipts should be made;

(d) certificates must be obtained from all the members annually certifying their assets and liabilities with the societies as at the end of June every year, and produce these certificates to the Department Officers at the time of Final Audit.

G.O.'s and Circulars

AUDIT CLASSIFICATION OF CENTRAL BANKS

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

SRI A. PALANIAPPA MUDALIAR, M.A.,

Registrar.

R. C. 78391/56-A. Dated 27-5-1956.

SUB: Co-operative Central Banks—Classification in audit—instructions issued.

REF: Registrar's circular Rc. 16902/46-A. Dated 24-10-1946.

According to clause V of the standards for audit classification of the Central Co-operative Banks prescribed in Registrar's circular cited, at least 65 per cent of the loans issued during the year should be for short term purposes. As some of the Central Banks in this State experienced difficulty in adhering to the standard the subject was considered by the Standing Advisory Committee on Agricultural credit at the instance of the Registrar. It has decided to revise this clause suggested for 'A' class banks as follows:—

"At least 50 per cent of the loans issued during the year should be for short term purposes".

The revised standard may be adopted in the classification of the Central Banks in audit in future.

A. PALANIAPPAN,
Registrar.

BUILDING FUND

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

SRI A. PALANIAPPA MUDALIAR, M.A.,

Registrar

R. C. No. 92602/56-B. Dated 28-5-1956.

SUB: Co-operative Societies—Expenditure out of building fund Rule XIII A—Registrar's previous sanction—instructions issued.

REF: Registrar's circular No. 16188/44-B. Dated 31-1-1945.

In the Registrar's circular cited, the Deputy Registrars were informed that the Reserve fund and the building fund of a Co-operative Society should be disposed of in accordance with the by-laws of the society concerned, that while rule XIII would operate in the case of disposal of the Reserve fund, the utilisation of the building fund

would be governed by the by-laws of the society. They were also informed that the expenditure out of the building fund for the purpose mentioned in the rule was not actual expenditure but only an investment and as such the Registrar's previous permission was not necessary. The Registrar has re-examined the position and he considers that when the co-operatives intend utilising their building fund, his previous sanction should be obtained in all cases. The Deputy Registrar's are requested to issue necessary instructions in this regard to all societies in their circles.

A. PALANIAPPAN,
Registrar.

MEDIUM TERM LOAN—DEFINITION OF

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

SRI A. PALANIAPPA MUDALIAR, M.A.,

Registrar.

R. No. 79650/56-A1. Dated 11-6-1956

SUB:—Financial Accommodation from the Reserve Bank of India—Provision of Medium Term loans for agricultural purposes—regarding.

REF:—Letter No. ACD 3419/FS (Sac) 56 dated 3-5-56 from the Reserve Bank of India.

A copy of the letter of the Reserve Bank of India regarding the grant of medium term funds repayable in more than 3 years is enclosed for your information.

S. NITHIYANANDAM,
For Registrar.

Copy of the Reserve Bank of India's letter No. ACD 3419/FS (sac)/56 dated 3-5-1956.

SUB:—Financial accommodation from the Reserve Bank of India provision of medium term loans for agricultural purposes.

Please refer to our Circular No. ACD 2359/C 25/54 dated the 17th July 1954 on the above subject. It was laid down therein that medium term loans under section 17(4A) of the Reserve Bank of India Act, 1934, would ordinarily be available for a period of 3 years, although we would be prepared to entertain applications for periods more than 3 years provided we were satisfied that there was a genuine need for such loans. This matter was considered at the fifth meeting of the Standing Advisory Committee on agricultural credit and in pursuance of its recommendation it has now been decided that where a State Co-operative Bank applies for a five year loan also, the amount sanctioned for the purpose may be upto 25 per cent of the total medium term loan sanctioned.

MEMBERS OVERDUES—CALCULATION OF

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

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

Rc. No. 67242/56 A Dated 4—6—1956.

SUB:—Co-operative Central Banks—Grant of loans to agricultural credit societies—calculation of members overdues—Instructions Issued.

REF:—1. Registrar's Circular Rc. 74891/55 A, dated 5-12-1955.
2. Registrar's Circular Rc. 74891/55-A, dated 8-3-1956.

In the Registrar's Circular cited as Item I, Central Banks were informed that they might grant loans from their own funds to such of the unlimited liability societies as had members overdues exceeding 33-1/3 per cent subject to certain conditions. In paragraph 3 of that circular, it was laid down that for the purpose of reckoning the eligibility of societies for loans from the Central Banks own funds, the percentage of members' overdues might be calculated with reference to demand. It has since been represented that by adopting the principle of calculating the members' overdues with reference to demand, many of the rural credit societies became ineligible to borrow funds from the Central Banks. It has also been stated that if the members' overdues are calculated with reference to the loans outstanding instead of demand the percentage of overdues would be less than 33 1/3 in several cases and that it would enable the rural credit societies to obtain more funds from the Central Banks. The Registrar has examined this representation in consultation with the Madras State Co operative Bank. The Madras State Co-operative Bank has no objection for the relaxation of the condition and for the calculation of members' overdues in rural credit societies with reference to loan outstanding for the purpose of issuing loans to such societies. In modification of the instructions contained in paragraph 3 of the Registrar's circular cited as item 1, the Registrar permits the calculation of members' overdues in rural credit societies with reference to loan outstanding instead of the demand.

A. PALANIAPPAN,
Registrar.

News and Notes

CO-OPERATIVE ACT TO BE SIMPLIFIED

The Government of India has set up a committee under the chairmanship of Shri S. T. Raja, Joint Secretary, Union Ministry of Food and Agriculture, to simplify legisiation governing the working of co-operative societies.

The committee, which will seek to rationalise and modernise existing co-operative laws, is expected to submit its report within six months.

It has been felt necessary to lay down a simple and expeditious procedure for registration and regulation of co-operative societies so that the co-operative sector can play an important role in the economic development of the country. The Rural Credit Survey Committee had also advocated the need for reorganisation of co-operative institutions on the basis of State partnership.

Apart from reviewing the existing co-operative legislation and making recommendations for a simple legislative measure, says a government press release, the Committee which also examine, in the light of the recommendation of the Rural Credit Survey report, the modification necessary in the Co-operative Societies Act.

The Committee will also examine the existing provisions relating to various types of co operative societies like credit, marketing, processing, small-scale and village and other industries, consumer, labour contract, construction, housing and transport. The Committee will suggest any modifications in the existing Act, rules as well as bye-laws, so that these societies may be able to play an increasingly important role in the economic development of the country.

The Committee will soon issue a questionnaire to the State Governments, co-operative organisations and prominent co-operators.

CONFERENCE OF STATE MINISTERS FOR CO-OPERATION AT MUSSOORRIE

It is learnt that the Government of India is convening a Conference of State Ministers for Co-operation at Mussoorrie on the 1st and 2nd of July to discuss the policy questions arising out of the implementation of the programme of co-operative development in the Second Five Year Plan. The subjects for discussions would be, among others, (i) the programme of organising more than ten thousand large-sized credit societies by 1960-61, (ii) the organisation of co-operative marketing of agricultural produce and its linking up with credit, (iii) the programme of setting up of co-operative processing and specially co-operative sugar factories eligibility of membership, extent of share capital etc., for them, (iv) setting up of State Warehousing Corporations and selection of centres for the Central Warehousing Corporation, (v) formulation of a programme for the organisation of agricultural producers' co-operative societies, and (vi) training of officials and non-officials for the Co-operative Movement.

GHANI OIL INDUSTRY ON CO-OPERATIVE BASIS

Shri V. L. Mehta, Chairman of the All India Khadi and Village Industries Board, presiding over a Conference of Village Oilmen operating bullock drawn ghanis called for the organisation of Village Ghanis on a Co-operative basis as first step towards reviving this Cottage Industry. He said that such Societies should buy and stock groundnut or other oil seeds and distribute them to their members at reasonable prices whenever they needed. He added that if Co-operatives of Village Ghanis could introduce improvements and maintain standards of purity and quality, their efficiency "may then reach the levels of the organised large scale industry."

CESS FUND FOR HANDLOOMS—DISTRIBUTION AGENCY

Sri C. Subramaniam, Minister for Finance while inaugurating the Salem Art Silk Yarn Handloom Weavers' Co-operative Production and Sale Society Ltd., recalled the services rendered by Sri C. Rajagopalachari to weavers who constituted one twelfth of India's population and traced the circumstances under which the Central Government instituted the Cess Fund to help the Handloom Industry. He said that the Handloom cloth should not be dependent on a tax on mill cloth.

He further said that the Government was considering the establishment of a Handloom Financing Corporation to take over the Mill Cloth Cess Fund distribution from Co-operative Central Banks, if they failed to make proper arrangements in six months' time. He added that the Central Banks were a stumbling block in the way of proper distribution of Cess Funds in most districts.

OPENING OF THE NEW BUILDING OF THE METTUPALAYAM CO-OPERATIVE URBAN BANK LTD.

The new building of the Mettupalayam Co-operative Urban Bank Ltd., built at a cost of Rs. 48,000 was opened by Sri C. Subramaniam, Minister for Finance and Education, Madras on Sunday, the 20th May, 1956. The Function was well attended by prominent co-operators and Dt. Officers from Coimbatore and Nilgiris Districts and by local public.

At the outset, Sri H. N. Lingiah, President of the Bank and Chairman of the local Municipality, while welcoming the chief guests and others, explained the bank's growth since its inception in 1924, outlining the services it had rendered during its 33 years of existence and explained about the financial soundness of the Bank with figures.

Messages of greetings from several prominent persons and institutions were read by the Bank's Secretary Sri G. Narayanaswamy.

The Minister explained how the objects of the Co-operative Movement are identical with the objects of the Socialistic Pattern of the country and of the usefulness of co-operative societies in achieving a welfare state on socialistic lines. He spoke about the Government's efforts in carrying out the Five Year Plans with the above objectives. He stressed that co-operative societies, to play their role effectively, should be free from different kinds of selfishness and local factions and party feelings. He emphasised that those in charge of co-operative banks should regard themselves as the sacred trustees of the funds entrusted to their societies, from out of the savings of the poor and middle class public.

Sri A. Palaniappa Mudaliar, M.A., I.A.S., Registrar of Co-operative Societies, Madras unveiled a portrait of late Sri N. Veeraswamy Chettiar, who has rendered yeomen services to the Bank as its President from 1944 till his death in June, 1955. The Registrar spoke in appreciation of the services rendered by late Mr. Chettiar to the Bank, to the Co-operative movement and for public cause.

Sri N. Deviah Gowder, who presided over the function, spoke of the efforts, and services of Sri N. Veeraswamy Chettiar in all the essential requisites of human wants such as food, clothing, housing, education and medical relief and about his charities and benevolences.

The function concluded with a vote of thanks proposed by the Bank's President.

Later, the prominent guests attended a Dinner given in honour of the Minister and the Registrar of the Co operative Societies by Sri N. Shanmugam Chettiar and V. Veeraraghavan, brother and son respectively of late Sri N. Veeraswamy Chettiar.

WEAVERS' CONFERENCE IN PONDICHERRY.

A conference of the representatives of the weavers co-operative societies in Pondicherry State was held in the office of the Registrar of Co operative Societies, Pondicherry, on 16-6-1956. Representatives of all the weavers co-operative societies in Pondicherry and Karaikal areas participated in the conference. Sri V. S. Matthews, I.A.S., Chief Secretary to Government of Pondicherry presiding over the conference explained to the weavers representatives the various schemes drawn up by the Pondicherry Administration for the development of the handloom industry in the State. He advised the weavers to work hard and produce utility varieties of handloom cloths so that they can compete with the mills and private merchants. Various problems relating to the handloom industry and the weavers co operative societies were discussed at the conference. Sri D. N. Doraiswamy Mudaliar, Registrar of Co-operative Societies. Pondicherry State, while explaining the steps taken by the co-operative Department and the Pondicherry Government for the development and growth of the handloom industry advised the members and directors of the weavers co-operative societies to see to the proper maintenance of the accounts, efficient management and control over the staff and the enhancement of active looms. He also impressed upon the need to produce utility varieties without entirely depending upon the exportable varieties. With a vote of thanks by Registrar of Co-operative Societies, the conference came to close. Sri Balakrishna Menon, Inspector General of Police, also attended the conference.

There are 13 co-operative societies for the weavers with about 1,300 looms working in Pondicherry State, 10 in Pondicherry area, one each in Karaikal, Mahe and Yanam. They have been sanctioned about Rs. 2.41 lakhs as loan towards working capital, share capital, etc.

KUMBAKONAM CO-OPERATIVE CENTRAL BANK LTD.

We are happy to report that the Kumbakoman Co-operative Central Bank has cleared the entire overdues both under principal and interest according to a Telegraphic Message received at our office.

THE NILGIRIS' CO-OPERATIVE CENTRAL BANK LTD.

Sri T. B. Lingam, President, Nilgiris Co-operative Central Bank Ltd. writes :—

"I am glad to inform you that the entire demand including overdues for the year 1955–56 of Rs. 30,05,432 under principal and Rs. 98,235 under interest has been completely collected by the Bank and there are no overdues on date"

TIRUCHIRAPALLI DIST. CO-OP. CENTRAL BANK.

Sri T. S. Muthukumaraswami Pillai, President. Tiruchirapalli District Co operative Central Bank, Ltd., writes —

"The Tiruchirappalli District Co-operative Central Bank, had to collect from its affiliated Societies a sum of Rs. 37,47,752 under principal and Rs. 3,02,375 under interest for the year 1955–56. The Bank collected the entire demand under principal and interest without any arrears with the help of Union authorities. Bank officers, and Staff and the Departmental officers. The Bank extends its appreciation and thankfulness for their hearty co operation."

THE REPORT ON THE WORKING
OF
The Madras State Co-operative Union
DURING THE YEAR JULY 1954 TO JUNE 1955.

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 1954 to 30th June 1955.

2. Membership

The number of member societies as on 30-6-1954 was 629. 99 societies were affiliated and 4 societies disaffiliated. The total number of member societies as on 30-6-1955 was 710. The number of members belonging to the various types of institutions are given below. As usual the Union sent appeals to many co-operative institutions to enrol themselves as members. We appeal to the members of the Board and other representatives of the member societies to take effective steps to enrol as many institutions as possible as members of this Union.

NUMBER OF MEMBERS AS ON 30-6-1955.

	Name of Institution.		As on 30-6-'54.	As on 30-6-'55.
1.	State Institutions	—	7	5
2.	Central Banks	—	15	16
3.	Language Federations	—	1	1
4.	Urban Banks	—	113	117
5.	Audit Union	—	1	1
6.	Land Mortgage Banks	—	40	42
7.	Local Co-op. Unions	—	109	109
8.	Training Institutes	—	2	2
9.	Hon. Members	—	14	...
10.	Wholesale Stores	—	14	14
11.	Primary Stores	—	116	115
12.	Marketing Societies	—	11	12
13.	Loan and Sale Societies	—	13	13
14.	Weavers Societies	—	34	37
15.	Milk Supply Unions and Societies		43	127
16.	Building Societies	—	81	81
17.	Agricultural Societies	—	6	6
18.	Other Societies	—	6	9
19.	P.C.C. Societies	—	3	3
	Total	—	629	710

3. Assistance to Federations and other Members

The Tamil Nadu Co operative Federation was sanctioned Rs. 1,000 as subsidy towards conducting the Tamil Monthly "KOOTTURAVU". The Union granted as subsidy Rs. 300 as a special case to the "Kannada Sahakari" which is being run by the South Kanara Central Co-operative Bank, at Mangalore. A sum of Rs. 250 was paid to the "Parasparasahayi" Malayalam Journal run by the Malabar District Co-operative Bank. All these Journals were published 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).

4. The Madras Journal of Co-operation

The Madras Journal of Co-operation continued to be published regularly every month. The number of formes have increased; editorial notes, special articles, gleanings, case studies, news and notes, letters to Editor, G.Os. and Circulars, Book-review were some of the special features, that are being published regularly. The pictorial interest was maintained. This year we have published the following Souvenirs: All India Handloom Week Souvenir, The Silver Jubilee Souvenir of the Madras Milk Supply Union and the Milk Day Celebration Souvenir. The Souvenirs were well documented with excellent articles on particular aspects of Co-operation; they were beautifully illustrated with pictures and case studies. They have received very good comments from the Press as well eminent co-operators.

5. Co-operative Literature

During the year under report, the Union had brought out the 10th Edition of the Madras Co operative Societies Act, 1932. The Edition contains latest amendments, important Government Orders and circulars and case studies. The Union's publication "An Introduction to Indian Rural Economics" was popular and there was a good demand for it from students from all over India. Co-operative Maps on Milk Co-operatives and Weavers Co operatives are under preparation. Eight more new posters are also under preparation. Our posters were in great demand especially in the Community Development Schemes; the posters were displayed in various Exhibitions like Railway, All India Khadi & Swadeshi Exhibitions in Madras, Hyderabad and other places.

6. Co-operative Conferences, Meetings and Celebrations

During the year under report, no Conference was held under the auspices of the Madras State Co-operative Union. But the 10th Tamil Nadu Co-operative Conference was held under the auspices of the Federation at Vellore under the Presidentship of Sri A Krishnaswamy Vandayar. The Union as usual gave a donation of Rs. 150 towards the conduct of the Conference. Messrs. H. M. Jagannatham, R. Krishnamurthi and T. Narayana Pillai were elected as delegates of the Union.

7. 32nd International Co-operative Day Celebrations

The 32nd International Co-operative Day and All India Co-operative Day was celebrated on the 6th November 1954 under the auspices of the Madras State Co-operative Union at the premises of Madras State Co op. Bank, Ltd., Madras. Sri M. Bhakthavatsalam, Minister for Agriculture, 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. Sri K. Nachchinarkinia Sivam, President of the Madras Co-operative Milk Supply Union Ltd., read the declaration of the I. C. A. and the message of Sri R. G. Saraiya. Sri A. B. Shetty, Minister for Co operation, also took part in the celebrations. Major S C. Alagappan, Prof. R. Krishnamurthi. and Sri T. Chengalvarayan addressed the gathering. Dr. P. Natesan proposed a vote of thanks.

8. Propaganda and Publicity

The Union has got on its inventory 9 films on the Milk Co-operatives, Cottage Industries Co-operatives etc. These films are loaned to co-operatives from to time. They were sent to the Madras Milk Supply Union during the Silver Jubilee Celebrations.

Dr. P. Natesan and Sri T. Narayana Pillai attended the Second All India Co-operative Congress, Patna in March 1955. Dr. P. Natesan, General Secretary, attended the All India Co-operative Editors Conference at New Delhi on 23. and 24-7-1954. He delivered two lectures on "Madras State Co operative Union" to the students, Regional Co-operative Training Centre Madras. He attended the Conference of Wholesale Stores, convened by the Registrar on 6-2-1955. He addressed the Sheitally Confernce. We are glad to report that Dr. P. Natesan General Secretary, has been nominated to the Committee on Co-operation as a member.

Sri C. M. Janarthanam, Associate Editor and Manager, delivered lectures to the trainees of Central Co-operative Institute and the Reserve Bank of India—Regional Training Centre, Poona and Pusa.

9. Collective Consciousness

The Union has evolved an "Emblem" as a method to promote callective consciousness among co-operators. The emblem is becoming popular; the Journal uses the motiff on its cover page and has been appreciated by Foreign Visitors and other Co-operators. The Union intends to make button holes, badges etc. and distribute among Co-operators.

10. Co-operative Training and Education

During the year, the training Institutes at Coimbatore and Tanjore imparted training to the supervisors in accordance with the syllabus. The theory examination for the trainees was held in March, 1955 at Coimbatore and Tanjore. Practical training was given to the trainees at the concerned Central Banks. The following are the results of the March, 1955 examination :

SUPERVISORS' COURSE.

March 1955 Examination Results.

Centre.	Number Appeared	Passed in Class I	Passed in Class II
Coimbatore —	174	4	131
Tanjore —	164	4	106
Supplementary candidates —	53	—	32
Total —	391	8	269

11. Grants by the Union

The Madras State Co-operative Union gave a grant of Rs. 500 to each of the two Training Institutes during this year. The Union disbursed a sum of Rs. 6,004-8-0 to the Institutes, being the Government grant towards the cost of non-official lecturers.

12. Employment Bureau

The Union has been acting as an Employment Exchange in a limited way. Each year, about 400 (now 500) trainees are turned out as Supervisors from the training institutes. But the rate of employment of the Co-operative Movement falls short of the number of fresh trained men. This Union recently undertook a survey of the unemployed supervisors and we have received 200 replies to our questionnaire. This is a serious situation calling for immediate attention. We have so far received very few enquiries for trained men from Co-operative Societies. *We appeal to all Co-operative Societies to make use of the services of the Union in the matter of recruitment of trained men. Secondly, we would also appeal to all the societies to employ only trained men.* The Union has also addressed the Government to give preference to Co-operative trained men in the matter of appointment of " Grama Sevaks etc. " in the Rural Development Scheme and we have been pleased to state that the Government have agreed to our suggestion. Thus, the Union is vigorously striving to serve as an effective employment agency. This year we are glad to report that a few big societies like the Burmah-Shell, Standard Vaccum Oil Company, Government House Mortgage Bank, Government Telegraph Employees Society etc. have called for a list of qualified candidates and the Union has placed the list at their disposal. We are glad to report that some societies selected men from the list supplied by the Union.

13. 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. 1,011 were added to 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 Library and the Reading Room were popular and were made use of by the 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 enquiries, from both within and outside the State. A number of distinguished co-operators visited the Union during the year. (Vide Annexure II)

14. 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.

The Union forwarded a workable scheme for Panchayatdars training; the cost of the scheme being Rs. 5 lakhs. The scheme provides for a week's training, in theory and practice of Co-operation, supplemented by visits to societies and audio-visual educational programme. A separate cadre of Lecturers, who have a flair for co-operative fundamental education will be created and they will be given a two week training in extension teaching at a Central Institute at Madras.

The Union submitted a Memorandum to Government, requesting them to exempt milk from Sales Tax, considering it as a perishable. The Government have negatived this request in G. O. Ms. 1991, Revenue Dept., 25-6-1955. But the Union had been continuously requesting the Government to reconsider the decision through its editorials.

The Union had represented to the Registrar that the Urban Banks need not be asked to obtain the permission of the Deputy Registrar, every year for renewing their current accounts at the Apex Bank. The Registrar has been pleased to accept the suggestion and has permitted the Urban Banks to open current accounts in the Apex Bank and in any District Co-operative Bank within the State, by a general order in his Proceedings No. R.C. 2307-A, dated 3-3-1955.

The Union represented to the Government that in view of the specialised training of supervisors and in view of the growing unemployment among the supervisors, the Government may be pleased to give preference to the trained co-operative supervisors in the matter of selection of candidates for the posts of village level workers or Grama Sevaks under Community Development Schemes. The Government have been pleased to accept the suggestion of the Union.

The 25th Central Banks Conference referred the matter of expeditious disposal of arbitration proceedings to the Union. The Union constituted a sub-committee consisting of Messrs. D. Mahalingam Pillai, T. Narayana Pillai and Dr. P. Natesan; the Committee issued a questionnaire to leading Co-operators, Lawyers and Central Banks. The replies are being received.

The Union prepared a detailed questionnaire and sent it to the Registrar, in connection with convening a Seminar on Co-operation; the Union also requested the Government to sanction a grant of Rs. 10,000 towards the cost of Seminar. The Union is awaiting the sanction of the subsidy from the Government.

The Union has once again requested to extend the exemption given to Co-operatives from all the provisions of Shops and Establishments Act, 1947, for a period of three years from 14-10-1953. The Government have been pleased to grant exemption for one year from 14-10-1953; very recently they have given the exemption for one more year from 14-10-1955 as per G. O. No. Ms. 3992 dated 25-11-1955.

State Partnership

The Union from the beginning has taken the view that co-operatives should be free from direct Government control and should grow as a free democratic movement. The Union has been largely responsible for shaping the policy of the All India Co-operative Congress regarding State-partnership in such a manner, that though the flow of Government help and guidance will be facilitated, the inherent democratic values of Co operation will not in any way be affected by such a State participation. Thus the Union has been discharging the task of maintaining the values of co-operative democracy, in tact.

Provincialisation of Services of the Secretaries and Executive Officers of Central Banks was discussed and the matter was deferred for the present.

Committee on Co-operation

The Union has submitted a comprehensive and exhaustive reply to the Questionnaire issued by the Committee on Co-operation.

15. Other Activities

During the year under report the Union had rendered assistance to several Co-operative Institutions:

The Union had donated a sum of Rs. 150 for the Tenth Tamil Nadu Co-operative Conference held at Vellore.

The Union had also paid Rs. 30 towards the advertisement charges to the Central Co-operative Printing Works, Madras, in connection with the publication of Diary 1955.

The Union paid a sum of Rs. 300 towards affiliation fees to the All India Co-operative Union, New Delhi, for the years 1953-54 and 1954-55.

16. Meetings of the Union

The General Body of the Union met only once during the year under report. Elections took place this year on 30-1-1955.

BOARD MEETING: A meeting of the Board of Management was held on 30-1-1955.

EXECUTIVE COMMITTEE:—There were six meetings of the Executive Committee during the year under report on 15-8-1954, 17-10-54, 31-12-54, 13-2-55, 17-4-55 and 24-5-55 respectively.

17. Staff

The Staff of the Union consists of the Manager-cum-Associate-Editor, an Accountant, a Clerk and two peons. The Government have been pleased to grant a subsidy towards the pay of the Manager for one year upto 31-3-1955. The cost of Staff during the year was Rs. 10,264. Sri C. M. Janarthanam, B.A., B.Com., continued to be the Manager-cum-Associate Editor. The staff of the Union was given a relief of one month's salary.

18. Loss to the Movement

We regret to report the sad demise of our Veterans Sri C. Tadulinga Mudaliar, Ex-Treasurer of this Union, Sri V. Nadimuthu Pillai and Dr. B. V. Narayanaswami Naidu, Ex-Treasurer of this Union. All of them had done yeoman service to the cause of Co-operation and were connected with our Union in one capacity or other.

19 Thanks

The Union tenders its grateful thanks to the Chief Minister of Madras, Sri K. Kamaraj Nadar, Sri A. B. Shetty, Minister for Co-operation, Sri 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 financial assistance. The Union also thanks profusely Sri A. Palaniappa Mudaliar, M.A., Registrar of Co-operative Societies, Madras, Sri R. Adisesha Naidu, B.A., the 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 1954–55.

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

The year 1954–55 is the 27th 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, Ramanathapuram, Mathurai, Tinnevelly and Madras.

Members

There were 460 members at the end of the year as against 411 at the end of the previous year. They consisted 14 Central Banks, 11 Central Stores, 1 Audit Union, 84 Supervising Unions, 4 Co-operative Presses, 5 individuals and 341 other societies.

Activities

'KOOTTURAVU' JOURNAL.—The Tamil Monthly Journal 'Kootturavu' continued to be published by the Federation. There were 2121 subscribers at the end of the year as against 2070 at the end of the previous year. The journal is supplied free to all members as per by-laws. The Co-operative Department subscribes for 30 copies. The average number of copies supplied including exchange copies etc., comes to 2674 per issue during the year as against 2583 during last year.

The get up of the journal has been further improved with the display of blocks relating to the Chief Co-operative events of the period on the front page in double colour. The journal has been made more useful by the addition of useful matter with more pages The working of co-operatives at home and abroad, proceedings of conferences, meetings etc., news and notes relating to men and events, important G. Os. and Circulars, photographs of interest to co-operators, Co-operative songs and stories, questions and answers, agricultural notes and other useful articles have been published in the journal. Some of the articles published in the 'Kootturavu' were extracted and published by sister 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 25 sister periodicals. Sri T.R. Sundaram Pillai, B.A., B.L., Sri S. Sengamalam Pillai, B.A., B.L., and Sri T.K. Navalar who were elected to the Editorial Committee on 29-8-54 continued their valuable services for the journal.

During the year the Federation published the Silver Jubilee Special number of 'Kootturavu' on 1-9-1954, Xth Conference Special number on 1-11-54 and Milk Day Special number on 13-4-55.

The cost of printing the journal inclusive of paper and blocks amounted to Rs. 7,260-6-0 during the year as against Rs. 5,644-7-0 of the previous year. This is apart from the sum of Rs. 836-8-0 incurred during the year for the issue of the special number of the Xth Tamil Nadu Co-op. Cenference held at Vellore for publication of which the Co-operative Central Bank, Vellore contributed a sum of Rs. 500.

Translation of Act, By-laws Etc.

Consequent on the translation and publication of the Co-operative Societies Act and Rules in Tamil the Federation has received enquiries for translation of by-laws from Co-operative institutions. The by-laws of Madura Urban Co-op. Bank and Palayamkottah Urban Co-op. Bank were translated. Besides, the Coimbatore Dist. Co-operative Central Bank, The Coimbatore Co-operative Printing Works and Coimbatore Spinning and Weaving Mills Co-operative Stores got their by-laws translated by the Editor. The Questionnaire issued by the Co-operative Enquiry Committee was translated and published by the Federation for the benefit of rural co-operators. Similarly the Registrar's scheme on Rural Banks was translated and published by the Federation and supplied to co-operators.

Sale of Publications and Co-operative Flag

The publications of the Federation and those received on consignment basis were sold to the co-operatives. The Federation undertook the manufacture and supply of Co-operative Flags also. A sum of Rs. 876-12-0 was realised during the year in respect of sale of publications and co-operative flags.

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. 9,468-1-0 under subscriptions and Rs. 6,161 under members' Contributions a sum of Rs. 5,329-4-0 under subscriptions and Rs. 3,117-8-0 under Contributions were realised during the year as against Rs. 5,510-9-0 and Rs. 3,322 respectively against a demand of Rs. 8,526-5-0 under subscriptions and Rs. 5,727 under contributions during the previous year. The advertisement revenue amounted to Rs. 3,053-12-0 as against Rs. 1,622 of last year. The increase in advertisement revenue is due to the special advertisements received for the Federation's Silver Jubilee special issue of 'Kootturavu' of 1-9-1954. The usual subsidy of Rs. 1,000 was received from the Madras State Co-operative Union. The Federation had requested the Union for a supplementary grant for the year 1954-55 in view of the increase in expenditure on the printing of 'Kootturavu'. It is understood that the matter is under consideration of the authorities. The total income of the Federation for the year amounted to Rs. 15,163-5-0 as against Rs. 12,579-13-0 of the previous year. The expenses on publication of the journal, establishment and contingencies incurred during the year was Rs. 15,586-14-0 as against Rs 11,882-4-0 of the previous year. The Year's working resulted in a deficit of Rs 423-9-0. As on 30-6-54 there was a surplus of Rs. 9,707-1-0. Deducting the deficit of Rs. 423-9-0 for the year 54-55, the surplus stood at Rs. 9,283-8-0 as on 30-6-55.

Silver Jubilee Celebrations of the Federation

The Year 1954-55 witnessed the celebrations of the Tamil Nadu Co-operative Federation's Silver Jubilee at Coimbatore on 29-8-1954 under the presidency of Sri Medai Dalavoi Kumaraswami Mudaliar, President of the Madras State Co-operative Bank. The celebrations were inaugurated by Sri A. Palaniappa Mudaliar the then Joint Registrar. Sri D. Krishnamurthi Gounder, President of the Federation in his welcome speech on the occasion paid tributes to the founders of the Federation and Co-operators of Tamil Nadu. The Jubilee Report was read by Sri M. S. Palaniappa Mudaliar, Joint Secretary of the Federation. The function was attended by prominent Co-operators of Tamil Nadu. In memory of the 25 years of continuous support of the Federation's propaganda efforts by the Tamil Nadu Co-operatives the Federation presented to all the 14 Co-operative Central Banks of Tamil Nadu 14 Silver Shields. The Federation published the Silver Jubilee Souvenir on 1-9 '54.

Xth Tamil Nadu Co-operative Conference

The Xth Tamil Nadu Co-operative Conference arranged by the Federation was convened on 3 and 4-10-54 under the auspices of the Co operative Central Bank, Ltd., at Vellore. Over 1,000 delegates from all over Tamil Nadu attended this Conference which was inaugurated by the Union Minister for Agriculture Dr. Punjabrao Deshmukh and presided over by Sri K. Krishnaswamy Vandayar, President of the Co-operative Central Bank, Tanjore. The unfurling of the Co operative Flag was done by Sri K. Sitarama Reddiar, B.A., B.L. The Co-operative Exhibition was opened by the Chief Minister Sri K. Kamaraj Nadar. The Portraits of Dr. Rajendra Prasad and late Sri N. R. Samiappa Mudaliar were unveiled at the conference Pandal by Sri A. B. Shetty, Minister for Co-operation and Public Health and Sri J. C. Ryan, the then Registrar of Co operative Societies respectively. The conference was a great success due to the untiring efforts of Sri B. Bhakthavatsalu Naidu and Sri T. Krishnamurthi Gounder, President and Vice-President respectively of the Reception Committee, Sri P. S. Rajagopal Naidu and other members of the committee of the Vellore Co-operative Central Bank. Several important resolutions touching the problems of the co-operatives were discussed and passed at the Conference. Fifty resolutions were passed. Resolutions regarding the development of co operative propaganda, the resolution requesting the Madras Government to constitute a Co-operative Enquiry Committee, and the resolutions requesting Government to enhance the loan limit for building societies to Rs. 10,000 deserve special mention.

General

Three Executive Committee Meetings, Two Board Meetings and Two General Body Meetings of the Federation were held during the year. The Editor attended the First All India Conference of Editors of Co operative periodicals held by the All India Co-operative Union at New Delhi on 23 and 24-7-54.

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 other Co-operative Institutions and the Registrar and the Co-operative Department for taking keen interest in the Federation.

ANNEXURE—II

Distinguished Visitors to the Union.

The following distinguished visitors visited our Union during the year 1954-55.

1. J. S. Annan, I. L. O. Fellowship from Gold Coast.
2. R. Nicholson. Co-operative Societies Officer & Ag. Registrar, Gilbert—Ellice Islands.
3. M. D. Singh, Deputy Registrar of Co-operative Societies, M. P. Nagpur.
4. G. D. Van Wengen. Trainee from Holland.
5. O. N. Pagulayan, Philippines Trainee.
6. W. L. Crawford, American International Association, Co operative League of U. S. A.
7. Jase S. Garcia.
8. G. P. Maturino
9. A. Rodrigue

$\left.\begin{array}{l}7.\\8.\\9.\end{array}\right\}$ I. L. O. Fellowship from Philippines.

AUDIT REVIEW

BY

SRI P. RADHAKANTAN, B. A.,

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—55

The accounts of the Madras State Co-operative Union for the year ended 30—6—1955 as audited by Sri P. K. Narayanan, Senior Inspector of Co-operative Societies, Madras, are passed. The statement of receipt 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 30-6-55 was :

	Name of Institution		As on 30—6—54	As on 30—6—55
1.	State Institutions	...	7	5
2.	Central Banks	...	15	16
3.	Language Federations		1	1
4.	Urban Banks	...	113	117
5.	Audit Union	...	1	1
6.	Land Mortgage Banks	...	40	42
7.	Local Co-op. Unions		109	109
8.	Training Institutes	...	2	2
9.	Hon. Members	...	14	—
10.	Wholesale Stores	...	14	14
11.	Primary Stores	...	116	115
12.	Marketing Societies		11	12
13.	Loan and Sale Societies	...	13	13
14.	Weavers Societies	...	34	37
15.	Milk Supply Unions and Societies		43	127
16.	Building Societies	...	81	81
17.	Agricultural Societies	...	6	6
18.	Other Societies	...	6	9
19.	P. C. C. Societies	...	3	3
			629	710

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

i. Contributions from member societies ;
ii. Subscriptions from Madras Journal of Co operation ;
iii. Subsidies and other miscellaneous.

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

		Demand Rs.	Collection Rs.	Balance Rs
Contribution	...	14,842	10,224	4,618
Subscription	...	4,859	4,326	532

4. Activities of the Union :—

(a) *Madras Journal of Co-operation* :—The journal continued to be published regularly every month. The cost of the publication amounted to Rs. 7936-13-0. Against this a sum of Rs. 12,504-1-0 was realised by subscriptions, advertisement charges and contributions.

(b) *Library* :—The value of books on hand amounted to Rs. 2,768-1-0.

(c) *Subsidies* :—Journals were published in the vernacular languages i.e. Tamil, Malayalam and Canarese. Subsidies paid to the Institutions are noted below :—

			Rs.
1.	Tamil Nadu Co-operative Federation	...	1,000
2.	Malabar Dt. C. C. Bank	...	250
3.	South Kanara Dt. C. C Bank	...	300
4.	Co op. Training Institute, Coimbatore	...	500
5.	,, ,, ,, Tanjore	...	500

(d) *Propaganda* :—The 32nd International Co-operative Day and All India Co-operators Day was celebrated on the 6th November 1954 by this Union on a grand scale under the presidency of Sri M. Bhakthavathsalam, Minister for Agriculture, Madras. It was attended by large number of Co operators both officials and non-officials.

The Union brought out Special Souvenir of the MADRAS JOURNAL OF CO-OPERATION on the following occasions : i.e. during the First All India Handloom Week celebrations, Milk Day Celebrations and during the Silver Jubilee Celebrations of the Madras Milk Supply Co-operative Union. The Souvenirs were beautifully illustrated with pictures, articles and case studies. They have also received very good comments from the Press as well from eminent Co-operators.

The Pictorial Co-operative Posters prepared by this Union were displayed in various exhibitions like Railway, All India Khadi and Swadeshi Exhibitions in Madras, Hyderabad and other places.

Meetings :—Six Meetings of the Executive Committee, one Meeting of the Board and one Meeting of the General Body of the Union were held during the year under review.

Miscellaneous :—The Training Classes for Supervisors were conducted at Coimbatore and Tanjore. 391 candidates appeared for the Examination in March 1955. 277 candidates came out successful in the Examination. A sum of Rs. 4,071 was collected by way of examination fees etc. against an expenditure of Rs. 1,?96-4-0.

P. RADHAKANTHAN,
Deputy Registrar.

Edited and Published by [illegible] at M. S. C. Bank Buildings, Esplanade, Madras. Printed by [illegible] Secretary, at the Central Co-operative Printing Works Ltd., [illegible], Mount Road Madras-1400 6 56