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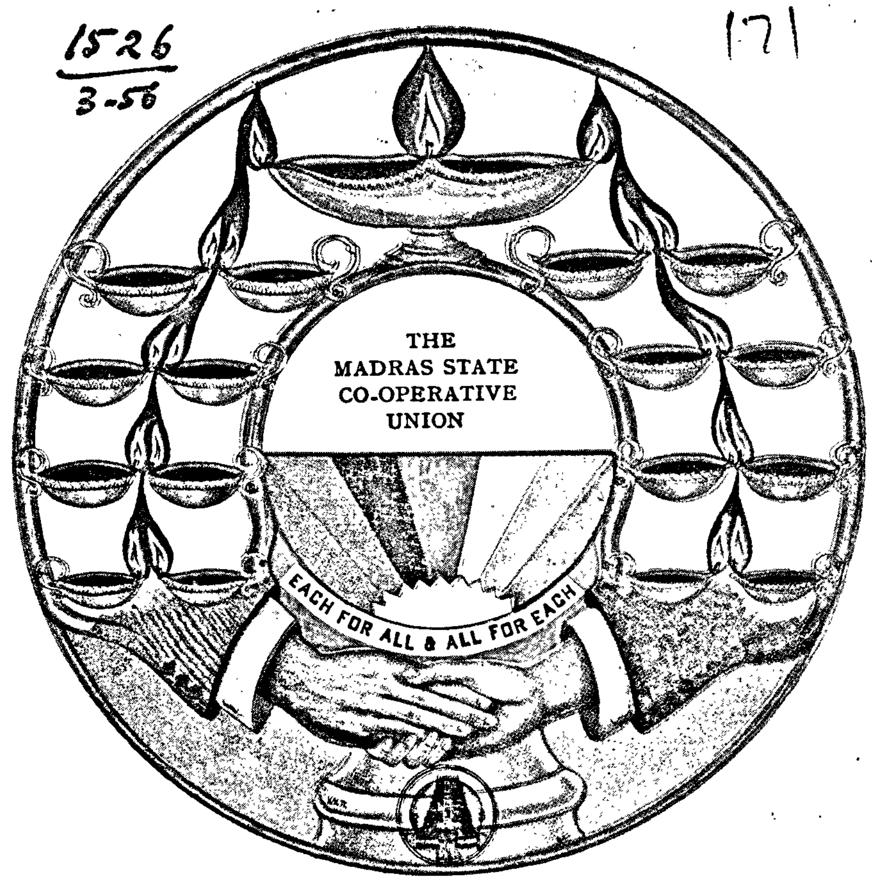

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C. M. JANARTHANAM, B.A., B.COM.

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THE

Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

AUGUST 1956. No. 2, VOL. XLVIII PRICE As. 12 NET.

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Thought for the Month

"Co-operation in its organisational form is eminently suited for economic activities in which a large number of small producers are engaged. For millions of small farmers and industrial workers in their homes and cottage, there is no substitute for co-operation as a means of drawing upon incentives which are social and incentives which are individual. But the strength of co-operation is also its weakness. The human factors involved in co-operation are complex and in some ways it is more difficult for co-operatives to succeed than for a nationalised enterprise or an enterprise owned by individuals. In a totalitarian regime, people take to certain pattern of activities not merely because of incentive but also of fear. In a monolithic State, the political party can enforce necessary drive but we, who have built ourselves on democratic principles and have thought of co-operation as a form of voluntary organisation of the people, have to think of other ways and means to make co-operation a success. Through proper incentives and propaganda we have to create a faith in the small farmer and the small worker about the greater efficacy of co-operative as an economic unit and of its higher social value."

—SRI AJIT PRASAD JAIN,
in his address at the Mussoorie Conference
held in the first week of July, 56.

Editorial Notes

THE MUSSOORIE CONFERENCE

THE BACKGROUND

The Second Conference of State Ministers of Co-operation met at Mussoorie during the first week of July, 1956. Nearly 15 months have elapsed since the first Conference was convened to consider the report of the Rural Credit Survey Committee at New Delhi in April 1955. During the 15 months, there has been considerable activity both at the Centre and in the States with regard to the implementation of the recommendations of the Rural Credit Survey Committee. The Imperial Bank of India has been nationalised, the Agricultural Produce (Development and Warehousing) Corporation Bill has become law; Amendments to the Reserve Bank of India Act has been made to provide for the creation of the National Agricultural Credit (Stabilisation) Fund and the National Agricultural Credit (Long-Term Operations) Fund. The States have formulated the schemes for co-operative development to be fitted into the Second Five Year Plan.

SRI A. P. JAIN'S ADDRESS

It was in such a context, that the Mussoorie Conference was held and its decisions, therefore, were very valuable and highly significant. Sri A. P. Jain, Union Minister for Food and Agriculture, who presided over the Conference outlined the several measures needed to help the small man to raise in economic and social status, through Co-operation. He concluded by saying: " In our onward march towards higher production and egalitarian society, we cannot afford to rest."

AGRICULTURAL CREDIT, MARKETING, PROCESSING AND WAREHOUSING.

The Conference served a very useful purpose in as much as it devoted itself primarily to the tasks involved in the implementation of the co-operative development programmes under the Second Five Year Plan. The Conference has done an immense job in pooling experience, in exchanging opinion and in making a realistic approach to the problem of co-operative expansion. Its assessment of the needs and resources necessary for the achievement of the physical targets in the field of credit, marketing, processing, farming, personnel and training has been sufficiently comprehensive and highly realistic. In the field of agricultural finance, the Conference has recommended

that 10,400 large-sized societies should be formed in 4 years, instead of in 5 years; it has also observed that facilities for starting small Co-operatives should be provided, along with the efforts to start large sized primaries. Similarly, in the matter of providing finance, the Conference has decided to achieve complete co-ordination of the Takkavi and Co-operative agencies. The Conference has decided to accelerate the programme of setting up 1908 marketing societies within 1959-60. It has stressed the linking of credit with marketing; it has intensified the targets for processing societies and has even suggested the starting of textile and jute mills at the opportune stage. With regard to warehousing, the Conference has recommended to the State Governments to take early steps to set up the State Warehousing Corporations and also pass legislation to make the warehouseman's receipt a negotiable document, while the Government of India has been requested to set up the Central Warehousing Corporation and to start 22 Warehouses during the current year.

CO-OPERATIVE FARMING

The Conference has, indeed, taken a very realistic approach in respect of the Co-operative Farming Societies. It has recognised that success in Co-operative Farming is very difficult; it has laid special emphasis on proper training of rural leadership, efficient management, the removal of legal and other hurdles, the provision of ancillary occupation to the members, and the provision of adequate financial, technical and administrative assistance etc. It has been very cautious in not fixing any physical targets; but it has merely suggested that about 500 experiments should be undertaken in the N. E. S. areas, where conditions are favourable. The agricultural producer's co-operatives of China have, of late, received considerable attention in India and the Government of India have recently sent a Co-operative Study Team under the leadership of Sri R. K. Patil to visit and make a report regarding the suitability or otherwise of the Chinese Agrarian Co-operatives. But we must be aware of the differing pattern of political and administrative set up between China and India and obviously, the Chinese example may offer us only limited guidance in solving the problem of the small and medium scale cultivators. We have reiterated our opinion that any form of corporate farming has very little chance of success in India. The only way in which co-operation may be employed to improve the farm economy is to offer a full complement of co-operative services ike credit, marketing, processing, lift irrigation, supply of fertilisers, better seeds etc. to step up farming and make it progressive, while allowing the peasant to take a personal interest in the cultivation of his own land.

CO-OPERATIVE EDUCATION

It is redeeming to find that the Conference has given considerable thought to the problem of co-operative education and training. Sri A. P. Jain explained that nearly 20,000 to 25,000 personnel would be required by 1960-61 to implement the integrated programme. In other words, 5,000 men will have to be trained each year. The output of trained men at present is in the neighbourhood of 2,500. This number must be doubled. The Conference has requested the Central Committee for Co-operative Training and the State Goverfiments to expand the training facilities to meet the needs of personnel in good time. Apart from the training of personnel for managing large sized societies, marketing and processing and warehousing institutions, there is an imperative need to impart fundamental education in Co-operation to the members of the managing committees of the co-operative institutions, both old and new, so that local village leadership may be created and developed. Only then, the process of economic evolution, through co-operation will become a reality and an accomplished fact. The Conference has recommended that " in view of the importance of non-official education generally and of the creation of a climate favourable to the success of a plan, it is desirable that financial assistance on an adequate scale should be forthcoming from the Union as well as State Governments ". There is an urgent need to expand mass education techniques through study circles, panchayatdar classes, films, library services etc. and we do hope that both the Central and the State Governments would give liberal financial assistance to the Co-operative Unions and thus give a fresh momentum to the co-operative educational activity throughout our country.

———

The Madras State Co-operative Union,

(THE MADRAS STATE TAMIL NADU—MALABAR—SOUTH KANARA CO-OPERATIVE UNION, (MADRAS) M.S.C. BANK BUILDINGS, 379, NETAJI ROAD, MADRAS.

THE SECOND MADRAS STATE CO-OPERATIVE HOUSING SOCIETIES CONFERENCE

30TH AUGUST 1956.

CIRCULAR No. II

To

The Presidents of

1 Co-operative House Construction Societies
2 ,, House Building Societies
3 ,, Ordinary Building Societies
4 , Township Societies
5 ,, Rural Housing Societies
6 ,, House Mortgage Banks.

Sub: Second Madras State Conference of Co-operative Housing Societies—Convening of.

Ref: This Office Circular No. I dated 4th April 1956.

———

Further to our Circular No. I, dated 4th April 1956, we wish to inform you that it has been decided by the Madras State Co-operative Union to convene the **Second Madras State Co-operative Housing, Societies Conference on Saturday the 15th September 1956** at the premises of the Madras State Co.operative Bank Ltd., 379, Netaji Road Madras-1.

Sri R. Kanakasabai, President, The Chidambaram Co-operative House Building Society Ltd., has kindly consented to preside.

Sri A, B. Shetty, Minister for Health and Co-operation has kindly consented to inaugurate the Conference.

Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies has kindly consented to address the Conference.

We appeal to all the Housing Societies and House Mortgage Banks to send their delegates to the Conference and make it a success. We also appeal to all Housing Societies to send liberal donations.

Schedule of Delegate Fees :

The following are the delegate fees for the various types of Co-operative Housing Institutions and the number of delegates that each institution can send.

	Nature of Institution.	Delegate fee to be paid by each institution. Rs.	No. of Delegates each institution can send
1.	House Construction Societies	25	3
2	Co-operative Township Building Societies	25	3
3.	Co-operative House Building Societies	20	3
4.	Ordinary Co-operative Building Societies	10	2
5.	Rural Housing Societies	5	1
6.	Co-op. House Mortgage Banks	20	3

Resolutions that you intend to move at the ensuing Conference may please be sent before the 10th September 1956 to the General Secretary of the Madras State Co-operative Union.

In view of the short time before us, we request you to communicate to us the names of your delegates with their full postal addresses and also remit the prescribed delegate fees, so that we may make the necessary arrangements early enough.

All communications, money orders. etc. should be sent to the **General Secretary, The Madras State Co-operative Union, 379, Netaji Road, Madras-1.**

The receipt of this Circular letter may please be acknowledged.

P. NATESAN,
General Secretary.

MEDAI DALAVOI KUMARASWAMI MUDALIAR,
President.

Copy to the Registrar of Co-operative Societies.
Copy to : All the Deputy Registrars of Co-operative Societies.

Progress of Prohibition

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

To Mahatma Gandhi, the Father of the Nation, Prohibition was a reform which was near and dear to his heart and it occupied a fore-most place in his constructive programme. He once observed " If I were appointed dictator for one hour for all India, the first thing I would do would be to close without compensation all the liquor shops, destroy all the toddy palms..., compel factory owners to produce humane conditions for their workmen and open refreshment and recreation rooms where these workmen would get innocent drinks and equally innocent amusements...". The programme of Prohibition has rightly been, therefore, incorporated in the Constitution of India as a principle of State policy. Of all the State Governments in India, the Madras Government has taken lead in introducing this reform and thereby raised a fitting memorial to the Father of the Nation. They were not deterred in their resolve to introduce this reform by the fact that it involved loss of revenue of nearly 18 crores of rupees and they are determined to pursue it, as it saves millions of people from starvation, misery and debt and promotes their welfare by eliminating wasteful expenditure. In the words of Mahatmaji " no monetary cost is too great to pay for achieving such a reform ".

2. Prohibition was first introduced on 1-10-1946 in 8 districts of the then Madras State, extended to 8 more districts from 1-10-1947, and the entire State became " dry " from 2-10 1948, which was the birth day of Gandhiji in that year. The success of the reform has been due not only to the enforcement of Prohibition law but also to the implementation of the ameliorative programme under the Prohibition scheme. Prohibition is not merely a negative reform; it has its positive side also and involves the changing of the habits of the people and their environment. The ameliorative programme represents the positive side of Prohibition reform and simultaneously with the introduction of Prohibition, Government launched various ameliorative measures not only to rehabilitate the ex-toddy tappers who were directly and immediately affected by the reform, but also to provide counter-attraction to drink and to bring about general rural uplift.

3. The Ameliorative work was carried on by the Revenue Department till October '48, when it was transferred to the Co-operative Department. With the transfer of the ameliorative work to the Co-operative Department, it has acquired a wider significance and more emphasis is laid on constructive work rather than on recreational activities and increasing use of the rural co-operatives is made to bring about general rural uplift. The main items of ameliorative work carried on by the Co-operative Department are:

1. Rehabilitation of extoddy tappers—
   (a) through Jaggery Manufacturing Co-operative Societies
   (b) through other Co-operative Societies and
   (c) through modes other than the co-operatives.
2. Formation of co-operatives for the general public including the exaddicts.
3. Promotion of rural uplift
   (a) through gramasangams and
   (b) through rural co-operative credit societies.
4. Provision of counter-attraction to drink.
5. Promotion of thrift and
6. Propaganda.

Thus the ameliorative work carried on by the Co-operative Department is co-extensive with general rural improvement.

A brief account of the progress of ameliorative work done by the co-operative department is given below:

(i) *Rehabilitation of ex-toddy tappers*: The best form of alternative employment that could be provided for the ex-toddy tappers on the introduction of Prohibition was the tapping of sweet juice from palm trees for the manufacture of Jaggery, an industry with which the ex-toddy tappers were already familiar. Government therefore permitted the tapping of palm trees for manufacture of jaggery. Jaggery manufacturing societies were formed in the districts for the benefit of the ex-toddy tappers, who were given licences for tapping palm trees for manufacture of jaggery. These societies absorbed the bulk of the ex-toddy tappers, in the State. On 30-6-'55 there were 1584 Jaggery Manufacturing Co-operative Societies with 1.85 lakhs of members of whom 1.58 lakhs were ex-toddy tappers. On 30-6-'55, the concession to tap palm trees for the manufacture of jaggery in force in the Districts was as shown below:

1. Palmyrah: All districts except Nilgiris.
2. Cocoanut: In the districts of Malabar, South Kanara and Coimbatore,

3. Date: North Arcot district.
4. Sago: 4 taluks in Malabar district.

The sale of sweet juice as beverage was permitted by Government in the districts of Tinnevelly, Salem and Ramnad. Government have also permitted the running of neera parlours by the Jaggery Manufacturing Co-operative Societies in the districts of South Kanara and Madurai and in the city of Madras. On 30-6-'55, 1.01 lakhs of licences for tapping palm trees for jaggery manufacture were in force. Of these 87,358 were for tapping palmyrah trees, 13,732 for tapping cocoanut trees, 41 for date trees and 210 for sago. The total number of trees tapped during the year ended 30-6-'55 was 29.75 lakhs. The total quantity of jaggery produced by the societies was 26.76 lakhs of maunds estimated at Rs. 81.42 lakhs. 8.7 lakhs maunds of jaggery to the value of Rs. 36.8 lakhs were sold through co-operative societies. These societies assist the members by issuing loans for meeting expenses connected with jaggery manufacture, domestic expenses etc. Loans to the extent of 2.09 lakhs were issued by the society for such expenses during the year 1954-55. The other kinds of activities such as supply of domestic requirements, promotion of thrift etc. undertaken by these societies in 1954-55 are shown below:

Type of extra activities undertaken.	Number of members-benefited.	Value.
		Rs.
1. Supply of handloom cloth ...	2,296	14,847
2. Collection and Sale of milk ...	111	15,880
3. Introduction of thrift through hundi boxes ...	12,569	1,16,278

Steps have been taken to assist the jaggery manufacturing Co-operative Societies in marketing jaggery by forming district jaggery marketing federations. There are now 4 such federations in the districts of Tirunelveli, Coimbatore, Ramnad, and South Kanara. 2 more federations in the districts of Salem and Malabar are being registered. Special schemes for the development of these district marketing federations with assistance from the All India Khadi and Village Industries Board are under the consideration of Government.

The Jaggery Manufacturing Co-operative Societies are now supervised by 86 Senior Inspectors. These Inspectors issue licences to the tapper members, assist the societies in writing the accounts, induce the members to sell their jaggery through the society and help the tappers in every manner possible. A State wide scheme of Palm Gur Development is in force through the societies and 50 per cent of the expenditure on the scheme is borne by the Central Government. The entire scheme is in charge of the State Palm Gur Organiser assisted by 23 Palm Gur instructors who have undergone training in the Central Palm Gur Training School, Cuddalore now shifted to Dahanu in Bombay State. The Palm Gur Instructors work under the control of the Deputy Registrars and they give training to the extoddy tappers on improved method of jaggery production. The improved equipment is supplied to the members of the societies on a subsidised basis. There are also other types of co-operatives for the benefit of the ex-tappers in this State. The following table shows details about the working of such societies in 1954-55.

Type of Society.	No. of Societies in which ex-toddy tappers were admitted.	No of members.		Extappers.		Production.	
		Ex-tappers.	Others.	Quantity L. B. Lakhs	Value Rs.	Quantity L. B. lakhs.	Others. Value. lakhs.
1. Milk Supply Union.	5	3	244	35,980	10,400	14.74	3,36
2. Milk Supply Societies	95	1,774	10,431	4.24 lakhs	0.9 lakhs	77.30	14.17
						l and sub leased.	
3. Land Colonisation Societies.	8	443	304	Ex-tappers. 1054.54		Others. 1006 26	

Besides the formation of co-operative societies, steps are also taken to assist the ex-tappers in finding employment as unskilled labourers in industrial concerns or public institutions as peons, watchmen etc. On 30 6-'55, 5,169 ex-tappers were provided with work in this way.

Promotion of the General Welfare of the People

The improvement of the economic condition of the ex-addicts to drink also receives attention. They are enrolled in labour contract societies, cottage industries societies and fishermen societies as members and provided with work. The other activities carried on under the ameliorative programme are promotion of thrift through rural co-operatives, encouragement of social and recreational activities by rural credit societies, provision of counter-attraction to drink,

propaganda through films and magic lantern slides. These have helped to promote general welfare of the people.

Promotion of Thrift

Promotion of thrift is an important item in the ameliorative programme. A general savings drive is instituted among the ex-tappers through home safe or hundi boxes, so that the money saved as a result of giving up drink on account of Prohibition is not wasted by the exaddicts. Hundi boxes are distributed to the members of co-operative societies and thrift days are celebrated. 3868 rural credit societies and other societies undertook the thrift scheme during the year ended 30-6-'55. They distributed 2,625 hundi boxes during the year and savings in the boxes amounted to Rs. 3.41 lakhs.

Counter-attraction to Drink

The Provision of counter-attractions to drink does not receive as much attention as in the past. Nevertheless, sports and games bhajanas, etc., are encouraged wherever voluntary effort is forthcoming for such activities. There are 6 propaganda vans in the Co-operative Department distributed on a regional basis to cover all the districts in the State and each van is provided with a cine projector, magic lantern, radio, gramaphone and a loud-speaker to provide recreation in the country side by showing films and magic lantern slides besides playing gramaphone records. There is a proposal to transfer the propaganda work to the control of the Director of Information and Publicity and to centralise the arrangements for propaganda and publicity of all Government departments in this State.

4. The ameliorative work connected with Prohibition carried on by the Co-operative Department in this State has helped to bring about a definite improvement in the socio-economic condition of the ex-toddy tappers in particular and to promote rural welfare in general. Prohibition is closely related to the social welfare and ameliorative measures undertaken by the department have helped the people to realise the beneficial effects of the reform. There is no doubt that with the removal of the drink evil, the people particularly the poorer classes lead a better and a happier life. Indeed, Prohibition has brought about a general rise in the standard of the living of people and has saved them from poverty, destitution, dirt and disease. It is, therefore, incumbent on the people to co-operate with Government in the successful working of this great moral and social reform and thereby contribute to the building up of a happy and prosperous State.

A Report of the I.L.O. Study Tour

SRI B. S. VIJAYAGOPAL B.A., B. com.,

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

[Sri B. S. Vijayagopal was offered an I.L.O, Fellowship and was on a study tour for four months, from 13th September, 55. He visited United Kingdom, Ireland and Germany and studied the working of credit and other institutions in those countries. We are publishing his Report in instalments. The present article is a report on the Co-operatives in the United Kingdom.—*Editor.*]

Origin and Background of the Fellowship:

During the middle of the year 1953, Mr. J. C. Ryan, the then Registrar of Co-operative Societies, Madras, addressed Dr. P. Natesan, General Secretary of the Madras State Co-operative Union and requested him to suggest names of some persons for being recommended to the I.L.O. for the award of Fellowships under the Expanded Programme of Technical Assistance. Dr. P. Natesan. in his capacity as the President of the Madras District Co.operative Central Bank, of which the Fellow is the Secretary, suggested to the Registrar that the Fellow's name could be recommended for the study of Co-operation and Co-operative Banking abroad under the Fellowship Scheme. The Registrar suggested that the Fellow may study in the United Kingdom, Ireland and Germany. This proposal was accepted by the Board of Management of the Madras District Co-operative Central Bank and a request was made by the Bank to the Registrar to recommend the Fellow's name to the I L.O. which the Registrar was pleased to comply with.

During the close of the year 1954, the I.L.O. communicated to the Registrar of Co-operative Societies, Madras its decision to award a Fellowship to the Fellow and requested him to send the approval of the State and the Central Governments. Accordingly, the Registrar addressed the Government of Madras to give the necessary approval, which in turn addressed the Government of India to send its approval to the I.L.O. All the formalities having been gone through, the I.L.O arranged a study programme of four months for the Fellow in the United Kingdom, Ireland and Germany and communicated in August 1955 that the Fellow should start his studies from 14th September 1955. The Fellow reported himself to the office of the I.L.O. at Geneva on 13th September 1955, when he

received the award of Fellowship and commenced his study tour as per the instructions contained therein.

The Fellow takes this opportunity to thank the Registrar of Co-operative Societies, Madras, the Governments of India and Madras, and the authorities of the I.L.O. for having enabled him to study the working of the Co-operative Institutions in foreign countries. The Fellow cannot adequately express in words his deep debt of gratitude to the President and the Members of the Board of Management of the Madras District Co-operative Central Bank Limited for the kindness with which they recommended his name to the Registrar for the award of the Fellowship, besides generously consenting to meet one half of the travel cost. In passing, the Fellow wishes to record his sincere thanks to the authorities of the various co-operative institutions and several other officials in the host countries for the hospitality enjoyed and help received by him during his visit to those countries.

United Kingdom

In Great Britain, the Consumer Co-operative Movement has established itself successfully and commands today a membership of 11 million people representing nearly twenty per cent of Britain's population.

Though Robert Owen is frequently mentioned as the "Father of Co-operation" in Britain, he had practically nothing to do with the development of the Movement as it is known to-day. He was in favour of establishing communities supported by philanthropic efforts. To apply the system, the labour theory of value and some exchanges were established. Robert Owen is, however, credited for his inspiration to study and remedy the social conditions in the early 19th Century.

There was no single beginning to the Co operative Movement. Till the year 1844, there were many beginnings, many failures and few successes. Rochdale society founded in 1830 by a body of handloom weavers was one of those that failed.

The Movement that exists today not only in Britain but also in many parts of the world is largely based on the principles evolved by the Rochdale pioneers. Rochdale was a town in which the evils of the industrial system were rampant in the 1840s. Low wages, unemployment, strikes and lock-outs were the order of the day. People obtained poor and adulterated food and incurred debts for the same. To find a way out of the miseries, meetings were convened in 1843 in Rochdale to consider the formation of another Co-operative Society. By studing the reasons for the failure of the earlier societies, the Rochdale pioneers laid down the principles to be observed by their society. A general meeting of the society was held in August 1844 and officers appointed. On December 21st of the year 1844, the Rochdale society of Equitable Pioneers was opened at Toad Lane with a share capital of £ 28 subscribed by 28 members in coppers per week. There is a continuous line of Co-operative development from the Rochdale pioneers to the present day. The principles laid down by them have come to be universally known as the Rochdale principles of co-operation. The principles are :—(1) Open membership, (2) Democratic control, (3) Distribution of surplus in proportion to purchases. (4) Limited Interest on capital, (5) Religious and Political Neutrality, (6) Cash trading and (7) Promotion of Education. There were no doubt, some societies conforming to some of these principles even prior to the time of the Poineers; but they were isolated instances both in England and Scotland. It is the pioneers that have assisted the development of co-operation in other parts of North England. Since the origin of the present movement is traced to the Rochdale Pioneers, it would be worthwhile to state the objects as stated by them in their first by-laws.

"The objects and plans of this society are to form arrangements for the pecuniary benefit, and improvement of the society and domestic condition of its members, by raising a sufficient amount of capital in shares of one pound each, to bring into operation the following plans and arrangements.

The establishment of a store for the sale of provisions; clothing, etc.

The building, purchasing or erecting of a number of houses, in which those members desiring to assist each other in improving their domestic and social condition may reside.

To commence the manufacture of such articles as the society may determine upon; for the employment of such members as may be without employment, or who may be suffering in consequence of repeated reductions in their wages.

As a further benefit and security to the members of this society, the society shall purchase or rent an estate or estates of land, which

shall be cultivated by the members who may be out of employment, or whose labour may be badly remunerated.

That as soon as practicable, this society shall proceed to arrange the powers of production, distribution, education, and government, or in other words to establish a self.supporting home colony of united interests, or assist other societies in establishing such colonies.

That for the promotion of sobriety, a temperance hotel be opened in one of the society's houses as soon as convenient,"

These objects appealed to the idealists; but the objects themselves could not have insured the success of their society. The rules and methods adopted for business and administrative purposes combined with the loyalty and devoted service of its leaders were the main causes of its success. The rules and methods were ;

1. To sell goods at prevailing local price.
2. Restriction to a fixed rate of interest upon capital--this interest to have first claim upon the profits.
3. The distribution of profits (after meeting expenses and interest charges) in proportion to purchases.
4. No credits—all purchases and sales to be paid for in cash when the goods were handed over.
5. Both sexes to have equality in membership rights.
6. Each number to have one vote and no more.
7. Regular and frequent meetings to be held for the discussion of the society's business and of receiving suggestions for improving the society's welfare.
8. Accounts to be properly kept and audited; and balance sheets to be regularly presented to the members.

The Consumer Societies today continue to believe as the Rochdale Pioneers did, in the principle of democratic control with equal rights for all members, and equality of access through open membership. They continue to pay limited interest on capital and to pay dividends on members' purchases. But some of the original Rochdale principles have now less force and relevance. The intervention of Governments and local authorities offers the consumer a protection he did not enjoy in 1844. The character of Co-operative education has also changed in recent years as a result of the provision of compulsory education and many forms of adult activity by local authorities. The principles of cash trading and political neutrality have been altered to suit the conditions of the twentieth century. In the words of Mr. Jack Bailey, National Secretary of the Co-operative Party:

" If the Rochdale Pioneers could return they would probably be bewildered by some of the co-operative practices of today, but if these practices were related to the kind of world in which modern co-operators have to live, they might well conclude that the faith which led them to Toad Lane more than a hundred years ago has not yet been extinguished "

Retail Societies :

The Retail Society is the foundation of the Consumer Movement. There are about 1,000 Retail societies in Britain. They vary considerably in size and in the number and variety of departments, but certain features are common to all. While there are some very large societies with members in hundreds of thousands, there are 222 societies with under a thousand members and 162 societies with between 1,000 and 2,000 members. The following are the large societies :

London society,	1,121,000	members.
Royal Arsenal society,	356,000	,,
Birmingham society,	323,000	,,
South Suburban society,	231,000	,,
Liverpool society,	192,000	,,
Leeds society,	150,000	,,
Barnsley society,	122,000	,,
Manchester and Salfor society,	120,000	,,
Belfast society,	117,000	,,
Nottingham society,	116,000	,,
Bristol society,	112,000	,, .

The total membership of these retail societies exceeds 11 million and thus the average membership per society is a little over 11,000.

Retail societies attach great importance to the principle of open membership. Most societies offer their share capital in units of £1, although a few require a member to hold more than one share before full membership rights are extended to him. Usually, the societies accept a small deposit of a shilling or two and allow the member to pay the balance by adjustment of the dividend earned on purchases.

A member cannot be permitted to have more than £500 as share capital in a society as per the provision of the Industrial and Provident Societies Acts. If a member wishes to invest in a society more than £500, the society can accept the same as loan capital if its rules permit.

The principle "one man one vote" limits the power of the shareholder. Each Co-operative Society elects a Managing Committee to manage the affairs of the society and to run the business on behalf of its members. Such a managing committee has considerable powers after being elected. It appoints principal officials, controls the property and investments of the society and formulates policy for the direction of officials. The period of office of such Managing Committees varies between societies ; but generally it is two years. Candidates for the Managing Committee are required to have purchased from the society goods of a value not less than that laid down in the rules besides having a stated amount of share capital in the society. These prescribed amounts are well within the capacity of any person who is interested in the business of the society. Most Management Committees divide up the work of supervising the society's departments amongst sub-committees. The chief officials are mostly appointed by the Managing Committee. In a few societies, the Secretary is elected by the members. The Co-operative Union has been advising repeatedly against this practice since it is not possible or practicable for a members' meeting to judge the real merit of a candidate to occupy a responsible position for which certain technical qualifications, personal character and capacities are very essential. However, the Managing Committee interviews the candidates and makes a recommendation even in cases where the members elect the Secretary.

Society Presidents are also in some cases elected by the Managing Committee and in others directly by the members. In choosing a President, care is taken to see that he is a man who has not only a grasp of society's business, but also a capacity for leadership both in the board-room and on public occasions.

The Managing Committee presents periodical reports of the members. Meetings are usually held every quarter. The trading period. is generally six months. At the end of every trading period, a report and a balance sheet are presented to the members.

Every retail society is engaged in food trade which accounts for about 75 per cent of the total retail trade of societies. Most societies supply members with clothing, footwear, household goods, furniture, pharmaceutical goods, toilet requisites, etc. Some societies offer boot repairing, hairdressing, laundry and funeral furnishing services. Retail societies are also agents for the C. W. S. Bank and operate small savings banks.

The Share Capital of the retail societies amounts to about £230,000,000 while the loan capital and savings deposits amount to about £ 60,000,000 and £ 6,000,000 respectively. The societies employ about 280,000 people and pay about £ 90,000,000 annually. In most of the societies there are separate education committees. Lectures, film shows, classes in co-operation, economics, technical and social subjects are organised by the societies. The retail societies spend nearly £ 420,000 per year in this respect.

Many societies have introduced self-service shops in Britain. There are more than 1,300 self-service shops in Britain belonging to various societies. About ten per cent of the food trade of the movement is handled through them.

The working of each retail society visited by me is described hereunder:

1. *The Blackpool Retail Co-operative Society*: This society has been in existence for the past 70 years. There are about 50,000 members in the society. The paid up share capital as at the close of the half-year ending 4-5-1955 was £ 1,767,172 and the loan capital £ 146,984.

The objects of the society are to carry on the business of a storekeeper, general dealer and universal provider in all its branches, and in particular to buy, sell, manufacture, produce, grow, cultivate and deal in goods, stores, consumable articles, chattels and effects of all kinds, both wholesale and retail, and generally to engage in any business, trade or industry which may seem to the society directly or indirectly conducive to the interests or convenience of the society's members or any section thereof.

The Management of the society is in the hands of a Board consisting of nine members. Their period of office is two years. They retire annually by rotation. (Five in one year and four in another year). The President and the Vice-President are elected by the Directors among themselves. The Secretary is appointed by the Board and he is in full charge of the administration of the

society as per the directions of the Board. The power of removing the Secretary from office lies only with the members.

The value of each share is £ 1. Every member should take at least five shares but not more than 500 shares. Above the maximum share amount of £ 500, a member can deposit in what is known as Loan Capital account. Interest allowed on Share Capital is 3½ per cent while that on Loan Capital is 3 per cent.

The Society sells goods of all kinds. It has 43 grocery shops and 41 butchery shops scattered over various parts of the City of Blackpool. There is a big emporium adjacent to the Central Office of the society, which consists of five floors including the basement floor. Various kinds of goods are attractively displayed in these floors departmentally There is a restaurant as well as a hair-dressing saloon attached to the emporium. The emporium is apart from being big in size, very impressive in the sense that it is in a position to cater all kinds of needs of a consumer to whatever class he may belong. Out of the 43 grocery shops, four are self-service shops.

The sales of the society, for the half-year ending 4-5-1955 amounted to £1,807,825 and the profit earned was £30,025.12.9. Dividend on purchases to members was paid at 1 shilling and 1 penny per pound. The society sells to non-members also and allows dividend at half the rate allowed to members.

The Central Office of the society and the emporium are located in a very attractive building which would be worth today at least £350,000. In 1938, a Jubilee hall was put up at a cost of £80,000. This hall is so attractive in design that it is hired once every week by the B.B.C. for their broadcast. A small office of the B.B.C. is also permanently situated in a corner of this portion of the building for which the society receives an annual rent of £300.

The society insists on purchases qualification for election as a Director. A member is eligible for directorship only if he has purchased goods worth £32 during the last 12 months.

The society acts as the agent for the C.W.S. Bank. It renders Funeral Service also. This is one of the 25 large societies affiliated to the co-operative wholesale society of England.

There is also a separate education committee consisting of six members elected in the same manner as the directors are elected. This committee is responsible for the furtherance of co-operative principles amongst the members, the holding of propaganda meetings, the issuing and distribution of co-operative literature and any other work of a social, educational or like character.

The members elect stock-takers every two years for checking stocks in the various shops and departments of the society. This is a salutary provision. The society employs about 1,500 members. Recreational facilities have been provided by the society to the employees. There is a sports ground of 16 acres. The society has its own baking and dairy departments. The baking department is situated in the sports ground.

2. *The Leicester Retail Co-operative Society Limited* :—This society was established in 1860 by seven members with a capital of 1 shilling and 9 pence. To-day there are about 93,000 members with a paid up share capital of £1,535,519.10.9 and a loan capital of £61,875.8.8.

The objects of the society are almost similar to that of the Blackpool society described above. This society has also its own baking and dairy departments.

The society has 75 grocery shops and 75 butchery shops in Leicester, besides the central emporium where there are footwear, furniture, drapery, toys and other departments. The society has 14 self-service shops and six mobile shops. The net sales of the society for the half year ended 17th March 1955 amounted to £3,783,438.11.6½ and the surplus earned was £206,670.13,9. A dividend of one shilling per pound was paid to the members.

The management of the society is vested in a board consisting of 13 members of whom two are women (now) and two are representatives of the employees. The society has on its staff about 2,500 persons. One third of the population of Leicester is supplied its requirements by this society.

3. *London Co-operative Society Limited* : This is considered to be the largest retail society in the world. This was formed in 1920 by the amalgamation of two societies, namely—Stratford Society (started by railwaymen in 1860) and the Edmonton society (started by tramwaymen in 1838). In 1921, the West London Society also joined the L.C.S.

The objects of this society are like that of any other retail society and its services include grocery, provisions, butchery, books, jewellery, pharmacy, optical, drapery, footwear, hair-dressing,

hardware, furnishing, farming, funeral service and several others. There are also regular deliveries of milk, bread, laundry and coal.

The value of each share is £1. A person can become a member by paying 1 shilling towards the share and 1 shilling towards the entrance fee. The balance of share capital could be paid by adjustment of dividend on purchases.

The management of the society consists of a president and 15 members elected by the members. They hold office for three years. Every year ⅓ of the members retire by rotation. The president retires three years after election. All are eligible for re-election until they are 65 years of age. Among the 15 directors, a vice-president is elected. He holds office for six months. Every six months, there is a change in the vice-presidency. The election is according to seniority. The qualification for directorship is a share capital of £ 2 for a period of 12 months, and half-yearly purchases of at least £ 15. Further, he should not be engaged in competitive trade.

A fixed rate of 2½ per cent interest per annum is paid on share capital. The present share capital of the society is £17,273,802 and the number of members exceed 1¼ million. The sales amount to £52 million a year. Dividend on purchases is paid at 10 pence per pound to members. This society does not pay any dividend to non-members.

The society has more than 1,300 shops in London It operates in an area of 400 square miles. About 20,000 persons are employed by the society.

The society offers various kinds of other facilities to the members, such as death benefit scheme (under which, upon the death of a member, a payment is made based on the average annual purchases), hire purchase system for purchase of articles like furniture, mutuality clubs for paying in instalments, etc.

Since the society covers a big area, the area is divided into 29 districts and 29 district committees are elected. Each committee consists of seven members. The committees act as a link between the committee of management and the members. They visit branches, hold meetings and make recommendations on local conditions to the committee of management.

Every year, the society allocates 2.½ per cent of the trading surplus for educational purposes. In 1954, £ 48,180 was set apart.

A separate committee of 15 members with one representative of the Managing Committee supervise the educational activities and the spending of the educational grant. To cope up with the volume of work, a full-time administrative staff is employed.

This society is affiliated to the C.W.S. (England). It acts also as the agent of the C.W.S. Bank.

4. *Leith Provident Co-operative Society Limited*: This is one of the retail societies in Edinburgh. This society is affiliated to the Co-operative Wholesale Society of Scotland. The society was started in July 1878.

The object of this society is to carry on trade in the same way as the other retail societies. But it does not conduct any banking business.

The value of each share is £ 1. Every member should have a minimum of five shares and the maximum allowed is 500. A fixed rate of three per cent. is paid on share capital at present. There are 30,904 members in the society with a paid up share capital of £ 357,283-1-7½.

The Society accepts savings deposits as well as loan accounts from members and pays interest at 2.½ per cent. The savings deposits and loans accounts amount to £ 84,980.19.0 and £ 25,128-5-5 respectively.

The committee of management consists of a president, a secretary, a treasurer and eight committee members elected by the members. The period of office is one year. They retire by rotation and elections are, therefore, held during every quarterly meeting. The internal administration is carried on by the General Manager of the society, who is appointed by the Committee. The qualification for directorship is that he should have purchased goods from the society for £50 in the year besides holding a share capital of £ 5.

The society has its own bakery, fleshing and dairy departments. The society supplies almost all the needs of the consumers through its various departments such as drapery, footwear, furniture, etc.

The society has over 50 shops and employs about 1,000 persons. It has a few self service as well as mobile units.

The Wholesale Societies :

Their Origin: As the number of retail societies increased, they found it difficult to purchase goods wholesale on account of the

jealousy of private merchants who would persuade the wholesale dealers to refuse to supply co operative societies. The newly started societies had additional difficulties such as lack of sufficient capital to purchase sufficient quantities in wholesale, ignorance of the goods, etc. To overcome these difficulties and at the same time to obtain for themselves the profit on wholesale trading also, the retail societies formed themselves into another organisation known as "Wholesale Society".

There are at present two wholesale societies in Britain (1) The English Co-operative Wholesale Society in Manchester and (2) The Scottish Co-operative Wholesale Society in Glasgow. They are shortly known as C-W.S.

The English C. W. S: This society was founded in the year 1864. This is the central organisation set up by the Retail Co-operative Societies in England and Wales to supply their economic needs. In the course of the years of its existence, this wholesale society has involved itself in various undertakings and activities which have made it possible to meet as many as possible of the daily requirements of the consumer. Besides being a trader and a manufacturer, the society renders services such as banking, insurance, etc.

Its Membership: The C.W.S. can be described as a federation of its shareholding member societies. Only Co-operative Societies or companies registered under the Industrial and Provident Societies Acts are admitted as members of the society. At present there are 1,049 societies as members of the C. W. S. They are classified as follows :—

Retail societies	...	789
Local Federations of these societies	...	86
Co-operative Productive societies	...	28
Agricultural societies	...	101
Societies in overseas countries	...	45
Total	..	1,049

Capital: Each society becoming a member of the C.W.S. is required to subscribe capital in proportion to the number of members. The minimum is one share of £5 for every two members. The share capital of the C W.S. is nearly £26 million at present. It has also amounts invested by Retail Societies under Loan and Deposit accounts to the extent of £92 million.

Management: The management of the C.W.S. is entrusted to a Board consisting of 28 members. The period of office is four years. Seven directors retire annually by rotation. They are all full time officers of the society. Each director is automatically re-elected on his retirement until he is 65 years of age when he becomes ineligible for the office. To ensure due representation of all the regions of the country on the management, the country is divided into sections and the number of directors is allotted to each section in proportion to the purchases of all the societies in that section from the C.W.S. In order to fix the proportions equitably, the purchase figures of the societies are reviewed at intervals of five years and the allocations are altered if necessary.

The 28 directors constitute themselves into three main committees, *viz*: (1) Finance and Services Committee, (2) Grocery Committee and (3) the Drapery Committee. Each of these main committees has sub-committees. Certain important subjects like the purchase of buildings, making long term investments, raising new capital, undertaking new ventures are decided by the Full Board. Besides the above mentioned committees, there are committees of a composite nature which consist of representatives drawn from each main committee. The Wages Committee deals with wages policy, the Employees' Pension Scheme and allied matters, while the Retail Trading Committee handles matters affecting the supervision of retail societies and the management of the C.W.S. Retail Society,

A Policy and General Purposes Committee has been created consisting of the president and the chairmen of the Finance, Grocery, Drapery and Wages committees. The two main functions of this committee are to make recommendations to the Board in respect of capital and revenue budgets and of matters of general policy and development. The Board generally meets twice a month.

Two general meetings of members are held annually One is held in October and the second in May. At the first meeting in October, an interim report covering the trade for the first half year (up to the second Saturday of July) is discussed, while in May the annual report and the balance sheet for the whole year (up to the second Saturday of the January) is taken up for discussion. Simultaneous meetings are held in different parts of the country.

Since the membership of the retail societies vary considerably in size, the C.W.S. does not apply the basic principle of "one member one vote". Each society has one vote as a member of the

C.W.S., one further vote for the first £12,500 of its trade with the C.W.S. during the previous year, and a further vote for each additional £25,000 of trade.

Division of Surplus: After making provision for reserves and donations to churches and grants to different co-operative organisations. the surplus available for distribution is shared among the members in proportion to their trade with the C.W.S. Additional dividend on purchase of C.W.S. productions is also paid. To societies that are not members of the C.W.S. dividend is paid at half the rates paid to members on the amount of their trade.

Business: The annual turnover of the C.W.S. exceeds £420 million. The grocery, provision etc. account for $\frac{2}{3}$ of the total turnover. This trade is conducted through a net work of depots in the country, the principal centres being at Manchester, Newcastle, London, Bristol and Cardiff The C.W.S.'s travellers call upon societies regularly and, in addition, it is customary for the buyers of retail societies to assemble each week in the sales room of the nearest depot and place orders. This practice of assembling every week provides them an opportunity to discuss co-operative matters with their colleagues in other societies. For purchasing the requirements of the C.W.S. to meet the needs of the member societies, the C.W.S. employs the services of many buyers throughout the country. In respect of certain trades, buying has been centralised, and National Buyers appointed for hardware, footwear, furnishing, crockery and glassware, jewellery and fancy goods. The society imports a good deal of the produce handled by it. The value of goods imported by the C.W.S. is easily more than £25 million in a year. There is an export department in the C.W.S. which is vigorously seeking new markets abroad for the productions. Exports was not regarded as a primary function of the society before the war. The export trade of the society now amounts to £1 million a year.

Production: The C.W.S. is also a manufacturer. To a very great extent, the C.W.S. attempts to supply the needs of the societies by producing the goods in the factories owned and controlled by it. The C.W.S. own about 200 productive units. The value of goods supplied through these factories amount to about £120 million a year. The various kinds of goods supplied by these factories are indicated below:

Food and Crockery: Biscuits, preserves, aerated water; soap, flour, tobacco, (cigarettes), oil and cake, bacon, butter, margarine, drug, confectionery etc.

Textile and Clothing: Flannel, blanket; hosiery, corset, knitted outerwear, shirts, overalls; frocks, woollen, cotton, boot and shoe, miscellaneous drappery etc.

Furnishing and Miscellaneous: Glass, printing, rope and twains, quilt, fellmongering; cabinet and bedding, brush and mat, iron-works, metal and electrical, tin plate, paint, potteries, cycles, aluminium, cutlery, scales, leathergoods, optical goods, dairy equipment, engineering, wagon building and repairing, motor-body-building, etc.

Besides factory production, the C.W.S. has undertaken farming on a considerable scale. It owns about 29,121 acres of farms allocated as follows:

Pasture and meadow	...	11,692	acres
Arables	...	14,407	,,
Fruit and Trees, etc.	...	1,531	,,
Glasshouses	...	84	,,
Curtilages, Dykes, etc.	...	1,407	,,
		29,121	,,

The C.W.S. has set up jointly with the Scottish C. W. S. a special society known as the English and Scottish Joint C.W.S. This joint society owns large estates of tea in India and Ceylon. In these places, it has factories where tea is blended and packed for the co-operative movement and from which coffee, cocoa and chocolate are also supplied to retail societies. It is said that the co-operative movement supplies about 20 per cent. of tea consumed in Great Britain.

Other Services: The C.W.S. offers many other services to retail societies and others apart from direct trading. They are enumerated below:

(i) *Banking*: The society opened a loan and deposit department in 1872. When it was made legal for societies to undertake banking by an amendment of the Industrial and Provident Societies Act, this department was transformed into a Banking Department in 1876. Through this department, the C.W.S. functions as a Banker to the Co-operative Movement, Trade Unions, many public authorities, friendly societies, etc. A large number of individual accounts are also operated. Since this C.W S. Bank is only a part of the C.W.S., there is nothing like membership and share capital.

In the Balance Sheet of the C.W.S., however, the assets and liabilities of the Banking department are shown separately. Since there is no share capital in the Bank, the question of declaring dividend out of the profits does not arise. The entire profits made by the Bank are taken to its Reserve Fund. The Bank accepts current and deposit accounts from individuals, Trade Unions, clubs, or friendly societies, Co-operative societies and mutual organisations of all kinds. It accepts standing instructions from customers to make regularly recurring payments such as mortgage repayments, insurance premiums, club subscriptions and so on. For travellers within the United Kingdom, the Bank arranges for the encashment of cheques at any convenient branch of the Bank or at local agents in any part of the country. The Bank issues also travellers' cheques, letters of credit and foreign currencies. Being in constant touch with the leading stock brokers, the Bank is always prepared to give information regarding investment problems. It also undertakes to buy or sell securities on the Stock Exchange on behalf of the customers at the most favourable prices without charging any fee for the service so rendered. Advances are made only against tangible securities such as Life policies, stocks, Government Promissory Notes and title deeds of immovable properties. The various Retail Co-operative Societies are made agents of the Bank. These societies receive money and make payments to the customers on behalf of the Bank. The affairs of this Banking department are managed by the Finance Committee of the C.W.S. (There are 18 branches of the Bank in England).

(ii) *Insurance*: The C.W.S. owns jointly with the Scottish Co-operative Wholesale Society, the Co-operative Insurance Society which is one of the biggest insurance offices in Great Britain. This was started in 1867. The issued capital of this society is £105,000 of which £52,500 is paid up. Of this capital, the English C.W.S. holds 4/5 while the S.C.W.S. holds 1/5. The Society is managed by a Board consisting of 10 directors of whom 8 are nominated by the English C.W.S. and two by the S.C.W.S.

The chief office of the C. I. S. is in Manchester. It has 13 branches in principal towns and 210 district offices throughout the United Kingdom and the Northern Ireland. It transacts all kinds of Insurance such as life, fidelity, fire, motor, accident, etc. The society employs over 12,000 persons of whom 7,000 are full time agents. During the year 1954, the society had a premium income of £35,170,769 while its total assets amounted to £148,408,406. One noteworthy feature about this society among other things is the Home Ownership Scheme offered by it through what is known as the C.I.S. House Purchase Plan. The society advances loans to individuals for purchasing a house or even constructing a house. The borrower should insure his life with the society for the amount of advance taken by him. This advance is repaid from the policy amount at the end of the endowment term or on his death at any time before. Meanwhile, the borrower will have to be paying interest on the loan. Normally, the amount advanced by the society will be about 66⅔ per cent to 80 per cent of the value of the house subject to a maximum of £3,000. Further it is seen that the borrower's commitments in respect of the house including taxes, repairs, payment towards premium, interest, etc. does not exceed 20 per cent of his income. The rate of interest charged is 5¼ per cent.

(iii) *Audit Service*: The C.W.S. has an audit office which is in charge of qualified auditors approved by the Registrar of Friendly Societies. This office undertakes the audits of many retail societies, clubs, and similar organisations.

(iv) *Architectural and Engineering Services*: The society is equipped to design and erect buildings both for itself and for the retail societies. The Engineering departments of the society equip factories and install many essential services in buildings for co-operative use.

(v) To offer services as a tourist agency for travel both at home and abroad, it has created the Co-operative Travel Service.

The C.W.S. Retail Co-operative Society Limited, is another subsidiary of the C.W.S which is of considerable importance. This was set up in 1934 to undertake retail trade in areas where there were not sufficient facilities This retail society has 26 branches with a total membership of about 150,000. The managing committee to control this society consists of C.W.S. directors. (Retail Trading Committee referred to earlier).

Policies with regard to Employees: The C.W.S. gives recognition to the part played by Trade Unions. Since 1919, it has been a condition of employment that every employee of the society must be a member of his appropriate trade union. The C.W.S. observes the national wage agreement. In cases where such national agreement has not been possible, the C.W.S. has its own agreement with the

Unions, as in the case of clerical staff. To encourage the employees to get themselves technically or professionally qualified every year the society offers a number of scholarships tenable for a period of nine months at the Co-operative College Candidates are given leave of absence, with pay so that they may undertake the study without any financial loss to themselves. About 50,000 persons are employed by the society in various departments and undertakings, of whom about 17,600 are women.

Scottish Co-operative Wholesale Society: This society was started in 1868 for the same reasons, which warranted the starting of the English C.W.S. The functions and objectives of this society are almost similar to that of the English Wholesale Society. This society does not command such a large volume of trade as that of the English C.W.S. The annual trade of this society is about £ 85 million. But it is to be noted that the population of Scotland is comparatively small. About five million people live in Scotland whereas the population in England and Wales would be nearly 50 million, i.e. ten times that of Scotland.

The S.C.W.S. has centralised many of its productive departments at Shieldhall, Govan near Glasgow. The society employs about 14,000 persons. It has under its control 68 factories.

Membership of the S.C W.S. is open to co operative societies in Scotland as well as to the employees of the S. C. W. S. The value of each share is £5. Every society desiring to become a member must take one share for each of its individual members. At present the society's membership consists of about 200 societies, of which 180 are Scottish retail societies, the remaining being small agricultural societies and others. The payment of one shilling per share entitles a society to exercise the full rights of membership.

The general meetings are held quarterly which, by rule, must be held either in Glasgow or in Edinburgh. The voting power of the members is as follows: (1) each society has one vote by virtue of membership, (2) The society with the largest purchases during the preceding quarter receives 50 additional votes and other societies have additional votes in the same proportion to 50 which its purchases bear to the purchases of the society with the largest purchases. The Association of Employee Shareholders is entitled to one vote by virtue of membership and a further vote for each 150 employee members of the association.

The Board of Management of the S. C. W. S. consists of 12 members including the President and the Secretary. Their period of office is two years. Six members retire annually by rotation. Like the directors of the English C.W.S., they are full-time officers. They are also automatically re-elected on retirement until they are 65 years of age.

The Management is divided into three main sub-committees each consisting of four members. The Committees are (1) Finance and Property, (2) Drapery and Furnishing, and (3) Grocery. The President and the Secretary act as ordinary members of the committee. The President is, however, an ex-officio member of the other two committees.

After meeting all expenses of management and setting aside reserves etc., the surplus of each trading period is distributed to society members as dividend on purchases. Dividend on purchases to non-members also is paid at half the rate paid to members.

The S.C.W.S. has also a Banking Department like the C.W.S., but is of recent origin. (A breaf reference to this has been made in the monthly report).

The S.C.W.S. retail Branches: The Co-operators of Scotland realised early in the 20th Century that there were large areas in Scotland where Co-operative enterprise had failed to arise spontaneously. These areas were largely composed of the Highlands and Islands where local people were reluctant to associate themselves with the movement on account of the influence of the landlord and the local shopkeeper. Many landlords specifically excluded co-operative societies from letting or purchasing property and the poverty of the people made it extremely difficult for them to accumulate the capital required to secure the premises and provide the necessary stock and equipment for a co-operative society. The S.C.W.S. decided to meet the situation by initiating retail branches which would give the people in these areas the opportunity of embracing co-operation, The first branch was opened in 1908 in Elgin and in the ensuing years, several others were started. During the first 25 years, the results were not encouraging due to lack of experience on the part of local committees and a lack of sufficient supervision from headquarters. In 1934 the problem was more vigorously tackled and the organisation was set up on a sounder basis. The out break of the second world war helped the progress

of these retail branches to a great extent. The operation of Government licence and the introduction of the rationing system for essential foodstuffs involved additional administrative work, which the private traders could not cope with. They decided, therefore, to withdraw from business. Many of these businesses were taken over by the S.C.W.S. Thus, the S.C.W.S. has established about 130 retail branches. These branches are situated mostly in the Western Islands in the highlands and in the isolated areas of the northern regions; as such there is a co operative service available to almost every community in Scotland at present.

Thus we find the two wholesale societies occupying prominent positions in their respective regions with a variety of co-operative activity centralised in them.

There are some agricultural societies operating in Britain, but they are of very little significance. There are about 370 Requirement and Produce Societies with a membership of about 254,000. The creation of State sponsored marketing schemes from the year 1933 has to a certain extent affected the development of agricultural co-operation. Some agricultural co-operatives are members of the C.W.S.

The Co-operative Union Ltd.: This is the Central Organisation of the Co-operative Movement in the British Isles. The Union was established in 1869 at Manchester. All the societies are admitted as members of the Union.The annual meeting of the Union is called the "Co-operative Congress". The majority of societies affiliated to the Union are retail societies.

The Union is an advisory body and is the centre of co-ordination for the entire co-operative movement. There are in the Union at present a number of specialised advisory departments such as: Legal; Finance; Taxation: Labour; Agricultural and Marketing; Publications; Statistical, Research and Education. Subject to Congress, the Union is governed by a Central Executive consisting of 27 members. The Central Executive has three subsidiary committees to carry out its work in addition to the departments. They are (1) General Purposes Committee, (2) Parliamentary Committee and (3) Policy Committee. Whenever necessary, special committees are appointed to deal with specific questions. For administrative purposes, the Union is divided into nine sections and the sections into districts, each with its own district executive.

The Co-operative Party is part of the Co-operative Union. This was started in 1917 as a defence against the injustices and hardships inflicted upon the co-operative movement owing to the influence held by private merchants with the Government. The party is in close alliance with the labour party. About 18 members of the party are at present members of the Parliament.

The Co-operative Union derives its funds from its affiliated societies. The retail societies pay at the rate of four pence per member per annum while other types of societies contribute on a special basis. The annual income is about £171,000.

The co-operative party is financed by a separate fund at the rate of half-penny per individual member of retail societies subscribed by only those societies which have chosen to affiliate themselves with the party. About 650 societies are at present affiliated to this party.

The co-operative college, which is also a part of the union was established in 1919. Since 1945, this is located at Standford Hall near Loughborough, Leicestershire. The college offers training both to employees and members of societies besides the overseas students. It conducts correspondence courses also.

The Union publishes annually the co-operative congress report giving full information regarding the work of the union. A monthly journal called "The Co-operative Review" is also published. The union issues every year "The Review of Co-operative Statistics" containing a good deal of statistical information collected and compiled by the Research and Statistics Department.

Co-operative Co-partnership Productive Societies: The description of the co-operative structure in Britain would not be complete without a reference to the co-operative productive societies. By reason of the emphasis they place upon workers and industrial democracy, these societies differ from the consumers' societies which form the main body of co-operative movement in Britain.

Like the retail societies, these productive societies also trace their origin to the social miseries and unrest of the mid-nineteenth century. The first experiments were initiated by the Christian Socialists, who advocated the establishment of the "Self-Governing Shops" in which those engaged in the factory would both own and manage the business in which they worked.

Difficulties with regard to obtaining necessary capital for the purchase of plant, machinery and raw materials led to the present day idea of a co-partnership of producers and consumers. The membership of these societies can therefore classified into four groups, namely, workers, co-operative societies, trade unions and individual shareholders. It is usually a condition of employment in these societies that workers reaching the age of 18 shall become members. To qualify as a co-operative co-partnership society the following three principles have to be adopted in the relationship of employees to the society :—

(1) The workers in the society must have the right to subscribe share capital and thus become part owners ;

(2) They must have the right to take part in all general meetings equally with other shareholders, and to be nominated for and elected to the management and other committees of the society.

(3) They must have the right to share in the surplus made by the society by virtue of the work they are doing. (i.e. in addition to receiving interest on the share capital invested by them, they receive a part of the surplus as bonus on wages.

There are at present about 47 such societies, of which eight are engaged in clothing trades, 17 in footwear production, five in printing and 15 in miscellaneous trades. These societies are also closely associated with the co-operative union. A large part of their products are sold to retail societies. They have about 6,000 workers, and their trade is easily over £6½ millions a year.

About 36 of the above mentioned 47 societies are members of the co-operative productive federation which is the national organisation of the co-operative productive societies. The federation represents its member societies on the national councils of the movement. It appoints a representative to the co-operative union central executive, to the general purposes and parliamentary committees of the union. It publishes the Co-operators' Year Book annually and a monthly Journal "Co-operative Productive Review" dealing with matters of interest to productive societies and to the co-operative movement generally. It provides an audit service, both for member societies and others. It organises a joint-invoice scheme by which any retail society dealing with a number of productive societies need keep only one account and can make one combind payment through the federation. With a view to promote the interests of the productive societies, the federation carries on propaganda services through a committee styled "Co-operative Co-partnership Propaganda Committee". The federation also gives advice to the member societies with regard to legal, financial and administrative matters.

Relationship of the Co-operative Movement with the Government: The relationship between the Government and the Co-operative movement in Britain is very limited. The function of registering the co-operative societies is performed by the Registrar of friendly societies. Every year he receives from the co-operatives various returns in the prescribed form (equivalent mostly to annual statements furnished by the Co-operatives in Madras to the co-operative department). He investigates into the affairs of a society only when he receives any complaint from the members or the auditor who has audited the society. The conduct of audit is not a statutory function of the Registrar as it is in Madras. The societies are free to appoint the auditors who are approved by the Registrar. Apart from this, the Government has nothing to do with the movement since it has been from the beginning a voluntary organisation.

Conclusion: Apart from the tremendous progress made by the consumers' organisations, I have been very much impressed by the special features of the British Co-operative Movement. The first one is the home ownership scheme offered by the Co-operative Insurance Society Limited under the "C.I.S. House Purchase Plan". Loans are advanced under the scheme for either purchasing or constructing a house. The borrower is required to take a life insurance policy with the company for the amount of loan taken by him. This loan amount is repaid from the policy amount at the end of the endowment term or on his death at any time before. In the meantime, the borrower will have to keep paying the interest on the loan as well as the insurance premium.

In India too, "housing" is one of the major problems facing a middle class man. On account of the increased population and the high cost of living, it is becoming increasingly difficult to find a decent house at a reasonable rent. The Governments, local authorities, etc. are undertaking several schemes (including formation of co-operative house construction societies) to tackle this question; but they have touched only a fringe of the problem. In Madras, there are a number of co-operative societies intended for salaried officials—(employees' societies) with provision for the collection of thrift deposits from the members every month. These societies

could really play a vital part in solving the housing problem of their members by getting the finances required from insurance companies (preferably co-operative insurance companies). The societies could directly borrow from the insurance companies on behalf of the members who may need loans for buying or constructing houses by getting the lives of such members insured. The premium could be paid by the societies from the thrift deposits to the credit of each member. If necessary, the scales of thrift deposit may also be enhanced. Such an enhancement will not be a burden on the member since he would be saving the rent which he might have paid if he did not own a house. The interest on the loan may be recovered from the members in the same manner as the ordinary loan, principal instalmsnt, interest, etc. are collected.

The second feature that has attracted my attention is the organisation of some productive societies on co partnership basis. We have in Madras, societies intended for small producers such as weavers' societies, leather workers' societies, etc. These societies have also difficulties with regard to accumulation of necessary capital for purchase of raw materials, and payment of wages. When once the initial capital is obtained, they have the difficulty with regard to marketing the goods produced. I feel that some of these difficulties could be overcome by organising the societies on co-partnership basis. There are a number of credit societies including employees' societies in Madras working very successfully with a large membership. These societies may be brought into the productive societies as shareholders and also be given a share in the management. The productive societies will in the first instance get the capital required for their work. Secondly, the credit societies being themselves interested in the business of the productive societies of which they also form a part may find a market for the products by selling most of them to the members through their societies. By their presence on the Managing Committee, the representatives of the credit societies would be in a position to advice the producers regarding the improvements in production required to satisfy the consumers. This method could be tried as an experimental measure in one or two societies. When the producers become efficient and capable of managing their affairs well, the other societies may withdraw.

(*To be Continued*)

Conclusions of the Conference on Co-operative* Marketing held at Jubilee Hall at Hyderabad from 27th to 29th November, 1955.

Agenda Item Nos. 6 & 7: Training and Personnel requirements and National Extension Service.

(a) General Considerations.

(1) That in making arrangements for the training of personnel three considerations should be kept in view: (i) the programme of training should be so devised in content and phasing as to fit into and keep step with, the programme of development envisaged in the Community Project and National Extension Service Blocks; (ii) when organising the Training Centres, the general policy should be to distribute them, as far as practicable on a regional basis subject to availability of accommodation, staff and other conveniences; and (iii) existing institutions are put to the maximum possible use consistent with efficiency before new institutions are started.

(2) Financial Assistance.

That in regard to fresh items of expenditure where states are expected to contribute, as a rule the States share should not exceed one third.

(Action—Govt. of India and State Govts.)

(3) Additional staff requirements and their training.

That in order to facilitate the setting up of necessary training arrangements early, the State Governments should furnish immediately their exact requirements of personnel in different types of activity at different levels and the number of trainees of each class whom they would be deputing for the first session, which would be started soon.

(Action—State Governments).

(b) Training of block level staff:

(1) That the training imparted to block level officers should include sufficient orientation in co-operative marketing, processing and ware-housing and the existing curricula should be amplified, if necessary, for the purpose.

(Action—Govt. of India and Central Committee for Co-operative Training).

(2) Larger-sized Co-operative Societies.

*The conclusions of the Hyderabad Conference are published with the kind permission of the Government of India.

That on the basis of an estimated requirements of about 14,000 paid managers and staff for the larger sized primary agricultural credit societies for the next five year period, some of whom may already have been trained, provision should be made for the training of about 1,500 to 2,000 managers per year. This training should be arranged in the subordinate training institutions in each State and facilities for this purpose should be expanded wherever necessary to meet these increased requirements.

(Action—Central Committee for Co-operative Training and State Govts.)

(3) Central Banks.

That for the staff of the Central Co-operative Banks belonging to the intermediate category, the present arrangements at the five Regional Training Centres are considered adequate. If, however additional arrangements are needed, this may be considered after the assessment of actual requirements is made and communicated by the States.

(Action—State Govt. and Central Committee).

(4) Supervisory Staff.

That arrangements for the training of the Supervisory Staff, estimated at about 500 for the first year on the basis of a total requirement of about 3750 for the whole of the plan period, should be made in the subordinate training schools in each State. The States should examine the adequacy of the existing arrangements in this respect and special courses at these centres may be organised wherever necessary.

(Action—State Governments and Central Committe).

(5) That in view of the progress made in land mortgage banking in the Madras and Andhra States, special training arrangements for the training of land mortgage bank personnel such as land valuation officers, Managers etc., should initially be started at Madras Regional Training Centre, training classes at other centres being organised, if necessary at a later state.

(Action—Central Committee).

(6) Marketing Societies.

That arrangements should be provided for the training of about 300 to 400 marketing personnel in each year calculated on the basis of 1700 primary marketing societies to be organised during the next five years and that each one of them will require the services of a

Manager, Accountant and a Godown Keeper. The training should be given at the nearest training centres according to the category of personnel. Where inter-State arrangements are needed, regional and block level training centres should be utilised. Training of subordinate personnel however should be arranged within each State. These arrangements are exclusive of marketing training facilities required by staff other than for co-operatives.

(Action—Government of India and Central Committee).

(7) Warehousing

That on the basis of a total requirements of about 100 warehousemen, 250 warehousemen-cum-technical assistants and Graders, 350 Accountants-Cum-Cashiers, 25 Storage Assistants, 25 Analysers and Graders and 75 Technical Assistants-Cum-Analysers for the whole Plan period, arrangements for training about 75 to 80 warehousemen and 75 to 80 Accountant-Cum-Cashiers during each year should be made. In view of the lack of experience regarding the form and content of the training necessary for this type of personnel, a pilot centre preferably at Meerut, should be started so that the assistance of the technical staff of the Central Marketing Department available at Delhi would be utilised for teaching subjects like grading, storage etc. More centres may be organised after gaining further experience at Meerut.

(Action—Government of India, State Governments and Central Committee).

(8) Processing Societies.

That the training for the managerial, technical and other staff of processing societies should be confined to imparting knowledge of the special characteristics of co-operative management and technique as distinguished from the general type of training required to manage and run factories and plants.

(Action—Government of India, State Governments and Central Committee).

(9) Departmental Staff.

(a) That the requirements of trained personnel in the intermediate category of the departmental staff can be met by the 5 regional centres, if necessary by making some additional arrangements for particular sessions and subjects, similarly requirements of departmental subordinate personnel can be met by the establishment and expansion of subordinate training schools in each State.

(Action—Central Committee and State Govts.)

(b) In making the postings of departmental staff the following considerations should be kept in view :—

(i) In view of the crucial significance of the programme of co-operative development, the superior personnel should be kept in their posts for at least three years and preferably for five years. To ensure this it may be necessary in some cases to compensate the incumbents for and pecuniary loss that they might be put to by missing their normal turns of promotion.

(ii) After they are appointed such among them as have no previous co-operative experience, should have a special orientation course.

(iii) For the success of the various schemes in the Second Five Year Plan it is important to have senior and experienced officers in the State Departments.

(Action—State Governments)

(10) Training of non-official co-operative workers and the general public.

(a) Steps be taken to ensure that the subject of co-operation comprising co-operative principles and practice should find a definite place in the general scheme of education in Universities and Schools.

(b) The training of the non-official co-operative workers should be provided for in the following three stages:—

(i) Training of the present and prospective members of co-operatives by means of conferences, seminars, visiting instructors, etc.

(ii) Training of members of elected committees by short sessions arranged at suitable centres.

(iii) Training of elected office-beares, stipendiary and honorary in longer courses organised at centres having training schools and colleges.

(c) The State Government and the State Co-operative Unions under the guidance of the All-India Co-operative Union would be primarily responsible for the training of the non-official co-operators.

(Action—Govt. of India, State Govts., Central Committee and All India Co-operative Union.)

(11) The Training of the Staff of Regulated Markets.

That in view of the desirability of employing only trained men as Secretaries, Superintendents or other supervisory staff of the

Market Committees, arrangements should be made by the Central and State Governments to organise Regional Training Centres for the purpose. These centres should also provide facilities for the training of Graders.

(Action—Government of India and State Governments).

Agenda Item No. 8—Market News Service.

That the Market News Service is an important activity for the dissemination of marketing information to the farmers in order to enable them to market their produce at the best available prices and that the entire country should be covered within three years instead of 5 years as now contemplated.

(Action—Government of India and State Governments).

Agenda Item No. 9—Land Mortgage Banks.

1. Impact of Land Reforms on Land Mortgage Banks.

(a) That in view of the fact that co-operative institutions in general, and land mortgage banks in particular, are public, State-sponsored institutions, steps should be taken to protect their interests adequately in so far as such interests are affected by the recent land reform legislations and they should be fully compensated for by the State Governments for any losses they might have been put to as a result of such legislation in respect of business already done.

(b) That in order to establish a satisfactory institutional structure of long-term credit, State Governments should review in detail their tenure and tenancy laws, and take steps to eliminate such features in them as, without being essential to policy, are hindrances to the development of land mortgage banking. Maximum possible freedom for the mortgage and transfer of land among cultivators should be provided, so that the position of land as the basic security for long-term production credit is not adversely affected.

(Action—State Govts. and Govt. of India).

(c) That considering the financing and administrative implications involved in this programme of the purchase of ownerships rights by tenant cultivators, the land mortgage banks should concentrate on the provision of credit for development purposes to cultivators rather than for paying off the landowners, unless the position in particular cases is such that the programme can

be managed by the banks. While the banks should willingly co operate on the operational side and play a constructive role, the responsibility for finding the necessary funds and providing the necessary legal protection to the banks should vest with the State Governments,

(Action—State Govts. and Govt. of India).

2. State Assistance.

That besides guarantee of debentures and other types of assistance, the State Governments should also provide staff for the valuation of land, and financial help to the land mortgage banks for meeting their administrative costs. The minimum provision for this purpose should include the provision, free of cost, of trained staff from the co-operative department, as in Madras, for independent valuation of lands and scrutiny of applications, etc., at the rate of one officer for every two or three primary land mortgage banks, and one Assistant Registrar or a Deputy Registrar generally for every 25 primary banks. In addition, the State should also grant graded subsidies to meet a part of the administrative costs of central land mortgage banks, Central Co-operative banks doing land mortgage business and primary land mortgage banks during the first years of their working. Such provision is particularly necessary in the case newly established banks, both for ensuring their sound development and for enabling them to keep down the rate of interest to the borrowing cultivators.

(Action—State Governments)

3. Elimination of Delays.

That while a certain amount of time is bound to be taken up in the disposal of loan applications on account of the very nature of these transactions and the difficulties in the valuation of land, steps should be taken to reduce such time as much as possible by adopting the following measures:

(a) The requirements and procedure in this regard should be explained in advance to the applicants at the primary level in order to avoid the submission of incomplete or defective applications.

(b The time taken in routing the applications from stage to stage should be cut down to the minimum possible, and to this end adequate staff for scrutiny, valuation and supervision should be provided.

(c) Other Government departments, such as the Revenue and the Registration departments, should co-operate in giving a high priority in the provision as information and documents required in connection with the work of the banks.

(Action—State Govts. and the Reserve Bank of India)

4. Loans on the basis of anticipated value.

(a) That in the context of the schemes of land development proposes to be carried out by means of loans from the land mortgage banks, State Governments should guarantee for a specified period the difference between the value of the land before the improvement is effected and after it has taken place, particularly in areas, where heavy investment by the cultivator is required for converting dry land into wet land for similar purpose of land development.

(b) Loans for such purposes should be made available to the ultimate borrower at as cheap a rate as possible, and in any case, not exceeding 5 per cent, by Government making funds available to the bank at a low rate of interest or by subsidizing the bank to the necessary extent,

(Action—State Governments and Reserve Bank of India).

5. Orientation of Loan Policy Towards Productive Credit.

That in the distribution of loans by the land mortgage banks it should be seen that—

(i) the operations of land mortgage banks are oriented towards production, and

(ii) that a machinery is evolved for achieving co-ordination of credit with planned agricultural development, assessment of technical soundness of projects and verification of the use of credit.

For achieving these the following methods are suggested:

(a) The types of land improvement which are most needed in particular areas and could be financed by the banks should be settled by them in consultation with the development agencies such as the NES, and the public works, and agriculture departments of the State. Such purposes may include :—

(i) Measures necessary for conversion of dry land into irrigated land.
(ii) digging of wells and tube-wells.
(iii) bunding, embankments and terracing.
(iv) electrification:
(v) fencing.
(vi) purchase of machinery.

(vii) construction of farm buildings.
(viii) reclamation of waste land, etc.

(b) Where specific schemes of development are sponsored by the NES and Community Projects, or other Government agencies, the land mortgage banks should fully co-operate with them in financing the schemes. Elsewhere, the banks should establish the necessary contacts with the departments concerned and draw up their own schemes of development.

(c) Each central land mortgage bank should appoint a competent liasion and development officer (i) to advise on the feasibility of the schemes (ii) to falicitate the examination of the technical aspects of loan applications and (iii) to establish contacts with the technical departments concerned. For ensuring that the loans are utilised for productive purposes adequate supervisory staff should also be provided.

(d) Loans should be disbursed wherever possible in instalments to the progress of the work undertaken by the borrower.

(e) The boards of directors or managing committees of primary banks should also assume the responsibility for exercising supervision over the productive use of loan funds.

(Action - State Governments and Community Projects Administration.)

(6) Problem of Raising Funds.

(a) That in view of the target of Rs. 25 crores for long-term credit at the end of 1960-61 and the consequent need for a substantial expansion in the business of land mortgage banks, steps should be taken not only to raise the necessary funds but also to ensure their proper utilisation. Although there may be difficulties in raising the necessary funds at economic rates due to the increasing demands of Government and private industry for funds for economic development, the land mortgage banks should be strong enough to obtain through the floatation of debentures, adequate funds for their business from the market. In this connection, the financial assistance available from Government and the Reserve Bank should primarily be utilised for such purposes as would strengthen the system.

(b) That the Central Land Mortgage Banks should utilise their share capital and the overdraft accommodation available from the State Government to finance initial business, on the strength of which mortgage can be obtained and debentures raised on their security. If additional accommodation of a temporary nature is required for the purpose, loans from the Long-Term Operations Fund of the Reserve Bank should be made available at concessional rate of interest, comparable to the rate of interest on the medium-term loans to State Co-operative Banks.

(c) That in regard to the requirements of specific development projects in particular areas, the land mortgage banks should attempt to raise funds through special development debentures.

(d) That the Reserve Bank of India should be prepared either by itself or in conjunction with Government of India to purchase not merely 40 per cent of the debentures as at present, but whatever proportions is required to make up the short-fall in public subscriptions.

(e) That the State Governments should, whenever necessary give overdraft loans to the land mortgage banks in order to enable them to meet their immediate requirements.

(f) That active efforts should be made, by appropriate terms of issue and by organised canvassing, to make land mortgage bank debentures popular and marketable. The following steps in this connection should be considered :

(i) As the leading State-partnered commercial banking institution of the country, which is expected to be responsive to the needs of the rural finance, the State Bank of India should accept, as the Reserve Bank has done, the debentures of the land mortgage banks as collaterial on a par with Government securities, for loans and advances.

(ii) The State Bank should also purchase and hold a part of such debentures in its investments portfolio.

(iii) The commercial banks, insurance companies and other financial institutions should also be persuaded to invest their funds in these debentures and thereby assist the agricultural industry.

(f) That the suggestion made by the Rural Credit Survey Report that efforts should be made to tap rural savings by the issue of "rural debentures" at appropriate times, and in conjection with schemes of local interest should be tried.

(g) That other possible methods such as accepting deposits out of which debentures may be purchased and encouraging advance repayments by borrowers in relatively favourable circumstances should also be explored.

(Action—State Govts, Reserve Bank of India, State Bank of India and Govt. of India.)

7. Legal and Technical Problems of Land Mortgage Banks.

That a small Technical Committee, including the Secretaries or Managers of the land mortgage banks, Registrars of Co-operative Societies and legal and financial experts, should be appointed by the Reserve Bank to inquire into the technical, legal and administrative problems connected with the organisation and expansion of land mortgage banking and report at a very early date on the measures to be taken in this regard.

The Committee's investigation should include the following subjects.

(i) What legal provisions should be required with regard to the title to land, its transferability and alienability in order to facilitate the work of the Banks? In particular, what steps can be taken to reduce the delays arising out of the difficulty of establishing clearly the title of land ? In what respects should tenancy and other land laws be amended, so as to protect the position of the Co-operatives and not to disrupt the basis for credit without prejudice to the major policy objective of such legislation?

(ii) What would be the most suitable rational method of valuation of land? To what extant can uniformity of methods be promoted among the various States?

(iii) What would be the most efficient and economical organisational set up for the land mortgage banks, in terms of institutions, staff, supervisory arrangements, etc.?

(iv) What are the ways by which debentures can be issued so as (a) to provide adequate security to the debenture holders and the guaranteeing Government (b) to facilitate the issue of loans for varying periods to match the purpose of the loan and (c) to issue debentures for varying periods and requirements of different investors and to tap rural savings ?

(v) What are the most efficient and economical arrangements for sinking funds and for investment?

(vi) What are the special problems of land mortgage banks which are newly organised or proposed to be organised and what steps should be taken to over-come these difficulties?

(vii) What are the specific administrative arrangements which can be made to provide for co-ordination between (a) Land Mortgage Bank and the short-term credit structure at all levels and (b) the land mortgage banks and Government in so far as the latter is concerned with agricultural developments and the financing of it through taccavi?

(Action—Reserve Bank of India and Govt. of India)

8. That in view of the peculiar problems pertaining to land mortgaging banking, special wing of the Standing Advisory Committee on Agricultural Credit of the Reserve Bank should be constituted to devote special attention to these problems.

(Action—Reserve Bank of India).

9. Training.

That in view of the programme of development envisaged, the provision of adequate staff at all levels and the measures of satisfactory arrangements for their training should receive the highest consideration. In this context the proposal of the Central Committee for Co-operative Training to arrange for a special course for training in land mortgage banking is endorsed.

(Action—State Govts. and the Central Committee for Co-operative Training).

10. Structure of Land Mortgage Banking.

That as suggested by the Rural Credit Survey Committee there should be a Central Land Mortgage Bank in each State and the State should subscribe a substantial part of its share capital. Where the State Co-operative Bank is managing long-term business, a separate Central Land Mortgage Bank should be established as soon as possible.

(Action—State Governments).

11. That primary land mortgage banks, as distinct from the short and medium term structure, should be established for areas which would form compact units and give adequate volume of business in due course. Transitory arrangements may, however, be

made in States, wherever necessary, for operating long-term credit through branches of the Central Land Mortgage Bank or the agency of the District Central Co-operative Banks or otherwise.

(Action—State Governments).

12. Co-ordination.

That for establishing co-ordination between the long-term credit structure and the short and medium-term structure, the following steps should be considered,

(a) one or more directors of the Central Land Mortgage Bank, the Chairman preferably being one of them, should be nominated by its board as a director or directors of the State Co-operative Bank and *vice-versa*.

(b) The Registrar and other nominees of the State Governments if any, on the boards of Directors of the two banks should be common to the largest extent possible; and

(c) a close relationship should be established by exchange of information and other means between the executive and administrative staff of the two institutions.

(Action—State Governments)

13. That immediate steps should be taken by the State Governments, wherever considered desirable to implement the following recommendations of the Rural Credit Survey Committee:

" We recommend that Land Mortgage Banks should be recognised as Government agencies for the distribution of productive long-terms loans in areas newly brought under irrigation wherever such a step is practicable. This implies that Government funds should also be channelled through these Banks and not, in the traditional manner through the Revenue Department."

(Action—State Governments)

Recommendations of the Second Conference of State Ministers on Co-operation held at Mussoorie from the 1st to 3rd July, '56.

RESOLUTIONS

Agenda Item I—Agricultural Finance

Recognizing the need for (i) expansion of the existing co-operative credit facilities as an essential step towards increasing agricultural production and (ii) simplification of the procedure for making timely and adequate credit available to the farmer, the conference recommends that—

(1) The programme for setting up 10,400 large-sized credit societies should be accelerated with a view to its completion within 4 years and for that purpose the following phasing may be adopted:—

1956–57	...	1,715
1957–58	...	2,684
1958–59	...	3,600
1959–60	...	2,401
		10,400

(2) In order to achieve the above targets during 1956-57 and 1957-58, the programme mentioned against each State in Appendix I hereto should be accepted and arrangements made for recruitment, training and other steps required for its implementation.

(3) While the principle of State partnership and financial assistance for the managerial staff provided under the Second Five Year Plan will be extended only to large-sized co-operative societies which may either be newly formed or brought into being as a result of reorganization, the formation of smaller societies at village level with fair prospects of functioning as effective units may be permitted consistently with the main programme. Small societies should however continue to receive financial and other assistance as at present and should also be strengthened.

(4) The existing procedure for advancing co-operative loans should be re-examined with a view to its simplification and avoidance of delays in payment of the loans.

The principal aim should be the maximum possible development of co-operative credit for the benefit of the agricultural producer and

for that reason the place of taccavi in the integrated scheme should be such that it supplements the programme of expansion of co-operative credit and does not compete with it or impede it. It follows that in regard to their respective spheres of operation there should be complete co-ordination between the two systems *viz.*, taccavi and co-operative credit. In order to achieve this co-ordination as well as for the purpose of correlating the credit plan to the requirements of production, each State Government should arrange for the preparation of district-wise plans of agricultural finance in which the contribution expected of different agencies is, in consultation with them, broadly demarcated. In preparing such plans, attention should be paid to the principles accepted at the State Ministers' Conference of April, 1955.

"RELIEF AND GUARANTEE FUNDS"

Considering that the Rural Credit Survey Committee have recommended the setting up of a Relief and Guarantee Fund both at the Centre and in the States in order to assist the co-operative movement in times of drought and unforeseen calamities the Conference welcomes the steps already taken by the State Governments in constituting the "Relief and Guarantee Fund" as well as the assurance given by the Government of India in this regard and recommends that the procedure and the circumstances in which this assistance will be available from the Government of India to the State Governments, may be worked out and communicated to the State Governments as early as possible.

Agenda Item II—Co-operative Marketing

Considering the importance of co-operative marketing not only as an instrument for obtaining better prices for the farmer but also for the purpose of recovering crop loans, the Conference recommends that—

(1) Urgent steps should be taken to set up primary co operative marketing societies even in advance of the large-sized credit societies. Marketing and large-sized credit societies where both have been set up should be linked with each other.

(2) Legislation should be enacted immediately for regulating markets in all States where this has not already been done and a phased programme of the regulation of all existing markets, covering all important agricultural commodities should be worked out and implemented during the Second Plan period.

(3) The programme of setting up 1908 co-operative marketing societies formulated under the Second Five Year Plan should be accelerated and completed in the following manner :—

1956-57	...	343
1957-58	...	540
1958-59	...	600
1959-60	...	425
		1,908

(4) The State Governments should take early steps to set up the number of marketing societies shown against each State in Appendix II.

(5) The following steps should be taken immediately :—

(a) The selection of centres preferably at existing "Mandis", for the setting up of the co-operative marketing societies.

(b) The recruitment of suitable persons to fill the posts and their training.

(c) The setting up of apex marketing societies at the State level with the ultimate object of forming an All-India federation of these apex organisations which can handle and assist inter-State and export trade.

(d) The working out of procedure for linking up the marketing societies with the Central Bank, the State Bank or other commercial banks to ensure that adequate finance is available to marketing societies as 'clean' as well as 'pledge' credit.

Agenda Item III—Co-operative Processing

Recognizing that processing on co-operative basis not only assists co-operative marketing but also ensures better returns to the primary producer, the Conference recommends that—

(1) The programme of Co-operative processing of commodities of special importance in different parts of the country should continue to be encouraged and enlarged.

(2) Processing societies being organization of actual growers, should ordinarily restrict their membership to the growers and workers of co-operative societies. Exemptions may, however, be made in the beginning to a limited extent in favour of prominent social workers and

sympathetic individuals. Traders and middlemen should not be included.

(3) The targets in respect of co-operative processing of the following commodities should be raised as follows :—

		Existing targets	Revised targets
1. Sugar factories	...	35	60
2. Cotton ginning and pressing.	...	48	100
3. Jute baling	...	9	25
4. Tobacco drying plants	...	Nil	6
5. Cigarette factory	...	Nil	1
6. Coconut and copra processing	..	18	25

The State Governments should now review their programme and communicate their proposals to the Ministry of Food and Agriculture within a month.

In addition to the commodities mentioned above, other industries such as the processing of cashew-nut and kernels, pulses, etc. should also be taken up. Where sufficient progress is made in the ginning of cotton and baling of jute, it should be possible to organize co-operative textile and jute mills also.

Agenda IV—Warehousing

Recognising the importance of warehousing as a means of orderly marketing and increasing the bargaining power of the producer for obtaining better prices, the Conference recommends that—

(1) very early steps should be taken by every State Government to set up the Warehousing Corporation under the "Agricultural Produce (Development and Warehousing) Corporations Act 1956."

(2) the Central Warehousing Corporation should also be set up immediately by the Government of India and 22 warehouses at the places referred to in Appendix III be established by the Central Warehousing Corporation during the current year.

(3) the States where such legislation has not already been enacted should immediately enact necessary legislation on the lines of the model Bill already circulated by Government of India for the licensing of warehouses in order to make the Warehouseman's receipt a negotiable document;

(4) a phased programme for starting warehouses at suitable centres in the states should be drawn up by the State Governments and intimated to the Ministry of Food and Agriculture. If new sites or new buildings cannot be constructed in time, a start can be made in hired godowns.

Agenda Item V—Co-operative Farming

The expression 'Co-operative Farming' has acquired a particular significance. Other forms of co.operation in agriculture such as co-operation in non farm operations, that is, marketing, processing, obtaining special services like lift irrigation from tube-wells, can be secured without the surrender by each farmer of his right to manage his field as he chooses. Such co operation usually goes under the name 'better farming'.

In the first plan it was suggested that all supplies to cultivators should be channelled through the multipurpose societies. This system, however, was not fully tried. We suggest that in the course of second plan each block should have at least a few villages where such societies, *viz*., multipurpose or large-sized credit societies cover all the cultivators in a village and meet their needs.

Co-operative farming, however, necessarily implies pooling of land and its joint management. As such it has certain obvious advantages in increasing agricultural production specially in the case of small farmers. It is able to secure better credit than is possible for individual members and results in better utilisation of land resources and bullock power. It is also able to develop better ancillary activities like sheep and cattle breeding, poultry and dairy. The experience gained hitherto has however, not established these advantages in a measure capable of attracting individual farmers to establish such farms. It is only by the demonstration of success in the working of these farms that this movement can be expected to gain a momentum. Future efforts, must, therefore, lie in taking appropriate measures to make a success of the existing co-operative farming societies and the establishment of new ones. But the face of future development should be such as not to court a failure by placing undue strain on the resources in States. With this aim in view the Conference recommends that the following steps be undertaken—

(1) As experience has shown that sound rural leadership is of fundamental importance to the success of this activity, the first step

is location of suitable personnel capable of undertaking this work and training them for the task of organising and running such societies in their areas, and avoiding the inhibiting atmosphere of bureaucratic administration. Such training can be best imparted on the spot where existing societies are funct ioning successfully The size of this programme would to some extent depend upon the number of co-operative farms that are planned to be started. But additional personnel in this category can always be useful in stimulating other types of co-operative activities.

(2) It is difficult to fix a definite target regarding the number of societies that should be started in the country. The objective should be to locate at least one such society in every National Extension Block during the Plan period. Progress in the first year will determine the progress in future years. About 500 experiments should be undertaken in 1956-57. These experiments should be carried out not necessarily at the rate of one experiment in each block but only in those N.E.S. areas where conditions are favourable.

(3) In addition to the assistance for co-operative farming recommended in ths Second Five Year Plan a special subsidy should be provided for initial expense incidental to farming and the terms of financial assistance should be more liberal than in case of individual cultivators.

(4) Preference in consolidation proceedings should be given to a village where a co-operative farming society has been organised so that the area of the society forms one compact block. If a society has been formed subsequent to consolidation operations in the village compactness of the area should be secured either by (i) making it obligatory on other olders in the area to join the society or (ii) by providing land of equal value elsewhere in the village, to those who do not join.

(5) A successful co-operative farming society is soon in need of ancillary occupations for its members. Financial and technical assistance for the development of such occupations should be provided.

(6) At the State level, an organisation consisting of the representatives of the Agricultural, Co-operative and Cottage Industries departments should be created and made responsible for the success of these societies. This organisation should work in liaison with the Action Committee with exists in the States to secure speedy

execution of the Cottage Industries programme. A special section should also be constituted in the Co-operative Department and wherever necessary additional supervisory and technical staff should be provided at the Block, District and Divisional Level.

(7) Success of these societies depends on relating the remuneration of each worker to the work put in by him. Proper techniques to ensure this will have to be evolved. Special studies for this purpose will have to be conducted.

(8) These societies are facing special difficulties in certain States. These need to be removed. For instance in one State agricultural income-tax is charged on their income as on individual income though the individual members, if they had not joined the society, would not have necessarily been so assessed. Legislation providing for special concessions to be given to these societies has not yet been made effective as the necessary rules have not been framed in some States. This should be done early, and other such difficulties removed.

Agenda Item VI – Co-operative Education and Training

To ensure that the co-operative movement is actively supported by the people as well as by all sections of the Governmental organisation it is necessary to take the following steps :—

(i) The highest authorities of Government, both in the States as well as in the Union, should on appropriate occasions declare the whole-hearted support of their Governments to the co-operative programmes undertaken in pursuance of the various schemes in the Second Five Year Plan.

(ii) The great importance of co-operative activity at all levels should be recognised by inclusion of co-operative workers in all bodies connected with planning and development from the national down to the village level.

(iii) The annual celebration of Co-operative Week should be considered a programme for the Government of India, the State Governments and for all official and non. official co operators.

(iv) Suitable information about co-operative programmes and developments should be made available to the press in a manner which will attract public attention.

(v) A comprehensive programme of educating villagers in the principles and responsibilities of co-operative organisation

should be undertaken as a part of the general effort for their education in planning and development.

(vi) The education and training of non-official members, office-bearers and honorary staff of co.operative institutions should continue to be undertaken under the guidance and with the assistance of the All India Co-operative Union by State Co operative Unions at State level through the agency of Unions or Union branches set up at the district level.

(vii) In the training of non-official personnel, it is essential to emphasise the moral and social importance of the co-operative method as well as the necessity for an efficient discharge of the responsibilities that devolve on co-operative institutions.

(viii) With a view to initiate the younger generation into the great significance of the co-operative pattern of society, suitable lessons should be included in their normal school literature. They should also be encouraged to have co-operative institutions in their schools and they should be brought into touch with local co-operative activities, such as the working of important co-operative institutions and the sessions of co-operative conferences, seminars, etc.

(ix) For co-operative work among women, besides the normal efforts at popularising co-operation for all, special contacts should be built with social welfare and women's organisations working in the field of development.

(x) In view of the importance of non-official education generally and of the creation of a climate favourable to the success of the plan, it is desirable that financial assistance on an adequate scale should be forthcoming from the Union as well as the State Governments.

(xi) Suitable literature especially literature which will be appropriate and useful in village areas should be produced and should be made available in all the villages by organising a library service to be operated through co-operative institutions in each district and sub-district.

2. (a) *Large-sized Societies* —The staffing of the large-sized primary societies at the beginning should be done from among personnel

which has already been trained and which possess co-operative experience. In the meanwhile, the number of trainees which are at present, being trained in the subordinate training institutions, the number of which is being immediately augmented by 10, is generally sufficient to meet the estimated requirements connected with replacements caused on account of opening of large-sized societies as also of new appointments in connection with programmes of expansion.

(b) *Primary Marketing Societies.*—The number of primary marketing societies which it is intended to open is not precisely known. It is, however, clear that the continuance of the two courses, one in Poona, and one in Meerut, over the next few years will be fully necessary. As soon as the State Governments are in a position to specify their requirements, steps should be taken to increase the number of courses in co-operative marketing at other centres of intermediate training.

In designing the course of instruction, the specific requirements of each society, in respect of the commodities that it deals in and of the particular functions that it will discharge, should be taken into account.

Particular care should be taken to ensure that the trainees receive practical training and experience not only in the co-operative aspects of their business but in all other essential features of the trade as well. For this purpose, suitable contacts should be established with firms which are doing business of similar character.

(c) *Supervisory Staff*:—The provision at present made in the five regional centres meets the present requirements of co-operative institutions and such of their expansion programmes as would need additional staff during the current year. It is, however, estimated that with the increased rate of expansion, about 50 per cent, more than can be turned out by the existing courses at the five regional centres will be needed. To ensure that this supply is available in time, the number of courses at present given in at least some of these centres will have to be doubled.

(d) *Administrative, supervisory and audit staff.*—In most States, this staff is trained along with staff needed for co-operative institutions and the programmes for training are included in the general training programmes.

(e) *Training of Collectors, B.D.O.'s and S.D.O.'s.*—As the co-operative method is intended to play a vital role in the working

out of the various plans, it is desirable that in the schemes of training of all officials, some account of the co-operative method as well as of the co-operative programmes should be included. The role that the Collectors, the B.D.O.'s and the S.D.O.'s play in working out of development programmes in rural areas is so vital that for these officers a brief course, say, of about a fortnight should be considered essential before they embark on their respective responsibilities.

3. Steps necessary for starting training courses for ware-housing and agricultural producers co-operative societies—

(a) The training for warehousing personnel will ultimately have to be organised in co-ordination, with the All India and State Warehousing Corporations, when they are set up. If, at the initial stage, training of a nuclear personnel is considered necessary, a course providing for the specific requirements of that personnel should be prepared and should be started in close co-operation with the expert staff available with the Government of India.

(b) For personnel required for the operations of co-operative farming societies, suitable courses will have to be designed in the light of the pattern of such societies, which it is intended to adopt in each State. After further particulars about the number and pattern of such societies proposed to be started in the current and the next year are known, an appropriate course will have to be framed and it will have to be located in as many of the regional centres as necessary. In the working of these courses, a close co-operation should be maintained. In fact, the considerations that determine the staff are such as the peculiarities of cultivation in each area may influence problems of management and supervision.

4. What action should be taken so that both the organised and newly set up Co-operative Institutions are fully manned by trained personnel.

(a) The co-operative institutions and other institutions such as the Reserve Bank connected with the working of co-operatives should as a normal part of their inspection and supervision insist on institutions equiping themselves at the earliest possible time with a suitably trained staff. In fact the considerations that determine the relative classification of societies should include their having an adequate number of trained personnel.

(b) While the training of the entire staff of the existing institutions will take some time, the feasibility of instituting a State-wise cadre of co-operative staff possessing adequate qualifications, having reasonable conditions of service and operating over the entire State should be immediate-explored. In some states a beginning has already been made to organise a similar cadre through a Committee representative both of the Department and of Co-operative Institutions. The agency to administer the cadre may, however, vary from State to State.

5. *Selection of Candidates.*—In the selection of candidates for co-operative institutions working in rural areas as well as for departmental work involving close contact with villagers, care should be taken to take only such people as on the results of a suitable test are found to possess the requisite physical, psychological and social qualities necessary for success in a job, which essentially has a rural back ground and a rural purpose.

6. *Personnel,*—In view of the crucial stage of expansion through which plans of co-operative development are passing at present, it would be desirable to reiterate as follows, the substance of resolutions on the subject of personnel passed at the First Session of this Conference and at the Conference on Marketing and Co-operation held in Hyderabad in November, 1955.

(1) To encourage qualified and suitable men to join the department, the terms and conditions of service in the Co-operative Department should be on par with those of employees of other major departments.

(2) In making the postings of departmental staff, the following considerations should be kept in view—

(i) In view of the crucial significance of the programme of co-operative development, the superior personnel should be kept in their posts for at least three years and preferably for five years. To ensure this it may be necessary in some cases to compensate the incumbents for any pecuniary loss that they might be put to by missing their normal turns of promotion.

(ii) After they are appointed, such among them as have no previous co-operative experience, should have a specia orientation course.

Agenda Item VII—Financial Pattern

The Conference noted the principles governing financial assistance for schemes of co-operative development circulated in the Food and Agriculture Ministry's letter No. F. 2-21/56-Co-op. II, dated 14th June, 1956 and recommended further consideration of the following points by the Government of India :—

(a) That the loan to State Governments for the construction of godowns by co-operative credit and marketing societies may be raised from 62½ to 75 per cent.

(b) That the rent of buildings to be hired for the purpose of training of subordinate personnel should also be eligible for the usual subsidy from the Central Government.

Inauguration of Federation of Weavers' Co-operative Societies in Tirunelveli District.

The Tirunelveli District Handloom Weavers' Co-operative Federation was inaugurated by Sri A. Palaniappa Mudaliar M.A., Registrar of Co-operative Societies on 20-7-56. The function was held in the 'Golden Jubilee Hall' of the Tirunelveli District Bank, Vannarpet.

Sri Medai Dalavoi Kumarswami Mudaliar, President of the Federation welcomed the gathering. He stated that though the Co-operative Movement came into existence in our country in 1904, the weavers problem was taken up only in the year 1934. In Tirunelveli District, Melapalayam Weavers' Co-operative Society was the first society started in the year 1936. The weavers societies have been really benefitted on account of various concessions shown under Cess Fund Scheme. The rebate of 1½ annas allowed to consumers on retail sales goes a long way to compete with mill made goods.

The Federation is being organised as an experimental measure. It is felt that an organisation at the district level is a necessity to co-ordinate the activities of the weavers societies in as much as the number of societies has increased. The Federation will regulate yarn supply and arrange for marketing of goods produced by primary weavers societies.

There are 91 weavers societies in Tirunelveli District. Out of 15,130 looms which have been admitted in the societies only 10,028 looms are said to be active looms. The fact why work has not been given to one third portion of looms is to be examined and steps be taken to engage all the looms. Further in the year 1953-54 only 2 societies out of 38 societies in Tirunelveli Circle worked on profit. In the year 1954-55 out of 57 societies 10 societies earned profits. Of the 10 societies, 8 societies have earned only nominal profits below Rs. 50. The Tirunelveli District Co-operative Central Bank has granted cash credit loans to the tune of 10 lakhs.

Some are compalining that Central Banks are not financing liberally to weavers societies. The complaint is unfounded. Further it is threatened that separate financial corporation will be started to finance the weavers movement. Such threat will not deter us from the responsibility of examining the financial conditions of weavers

societies before sanctioning loans. No one is going to be benefitted on account of such threats. Prudence requires that the difficulties of the Central Banks will have to be understood and taken into consideration before passing such remarks. At the same time he assured that the Central Banks are prepared to finance the societies to any extent provided the amount lent by them are well secured. I request both the Central Government and State Government to examine the position impartially and take decisions on the matter.

The Registrar stated that one reason advanced for weavers not joining the co-operative fold was that they borrowed money easily from master weavers, and because they were unable to return the money, they could not join the co-operative fold. Hence Government's proposal to clear the debts of the weavers and bring them under the co operative fold, either in the existing societies, or by starting new societies for them. By this process, he said government expected to bring at least 50 per cent of the 10,000 weavers who were still outside the co-operative fold into it.

The Registrar said that next to agriculture the handloom industry employed a large number of people and both the Central and State Government had done their best to help it. But Government's efforts alone could not achieve much without the co operation of the members of the industry. There were 20 lakhs of handlooms in India of which five lakhs were in Madras State. Of this one and one fourth lakhs functioned under co-operative societies. The others were working either under master weavers or privately. It was easier to extend Government help to weavers' co-operatives than to individual weavers or through other agencies. Comparing the progress made by weavers' societies before and after the introduction of the Cess Fund, the Registrar said that out of 50,000 looms in this district only 15,000 came under co-operative societies and only 10,000 looms were working. These produced Rs. 149 lakhs worth of cloth. Before the Cess Fund Scheme only Rs. 2 lakhs worth of cloth was produced.

Loans to Co-ops.

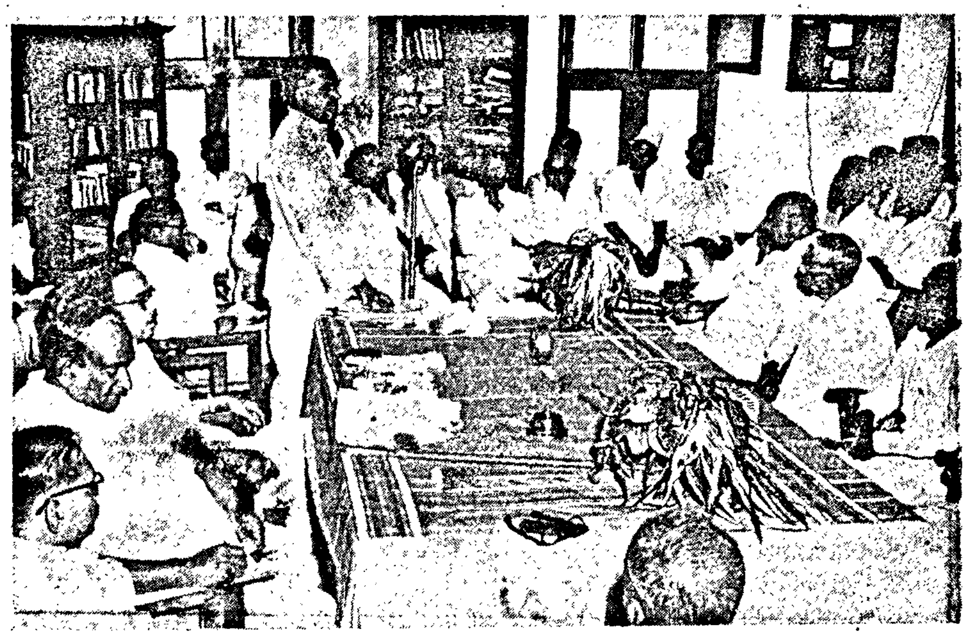
In regard to loans advanced to handloom co-operatives the Registrar asked them to realise their responsibilities and to discharge the loans in time. Even as co-operative banks had supervising agencies the idea of forming a federation to supervise weavers' societies and to co-ordinate their activities and make representation to the authorities on their needs, difficulties, and other matters concerning their activities had been thought of. Salem and Madurai had formed separate federations and Tirunelveli was the third to have it. Some feared if the Federation might be a rival to the State Society, the Registrar allayed such fears saying that since the State Society could work for the whole State by supplying yarn to societies and marketing their productions, only a federation like this one could effectively attend to district matters. He made it clear that the Federation would not be a trade society but would concern itself with the needs of the societies and pursue them. The Registrar also revealed that Government may help the federation financially. Hitherto, only Rs 80 per loom was advanced as loan, but now the Central Bank was prepared to advance Rs. 120 per loom. If weavers returned their loans in time Government might raise loan amount to Rs. 200 to even Rs. 300 per loom. Though some societies worked at a loss, so far no occasion had arisen to write off any loan amount compared with other States, the Registrar stated handloom weavers' societies in Madras State were on the whole working satisfactorily. He emphasised the need for primary societies functioning well for they were the pivot on which the whole system moved. Though some societies worked at a loss, so far no occasion had arisen to write off any loan amount compared with other States, the Registrar stated handloom weavers' societies in Madras State were on the whole working satisfactorily. Though the decisions of the Bombay conference were not yet published the Registrar said it was likely that Government might come to the rescue of the district central banks by compensating them for any loss they may incur in making advances to handloom weavers' co-operative societies.

Housing Scheme.

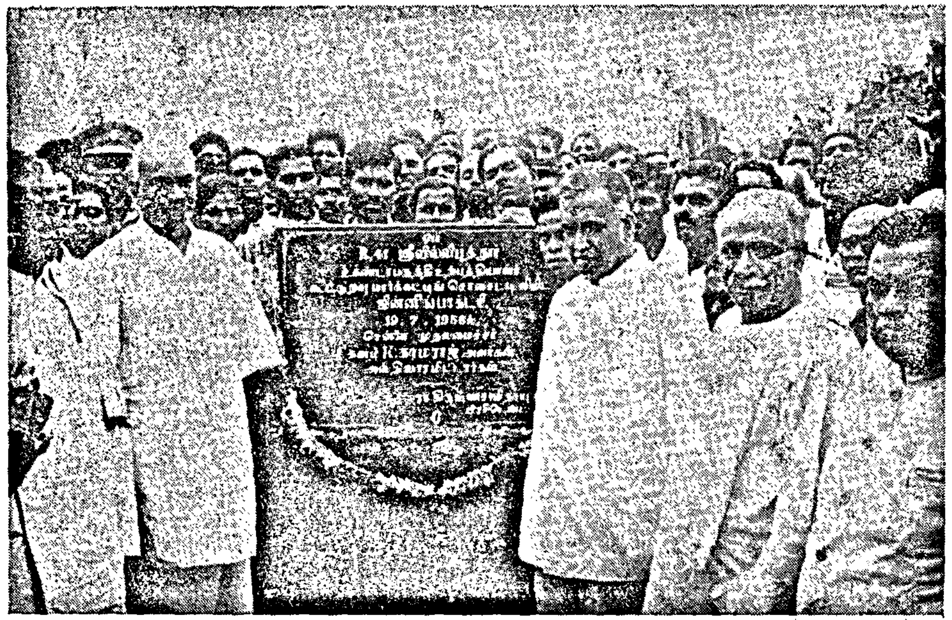
The Registrar referred to co-operative house building scheme for weavers which had been started only at Kalidaikurichi and appealed to the housing society there to complete the same quickly and successfully. For such societies government gave one third loan and half subsidy while the balance had to be borne by the weavers. The Registrar commended to the weavers to start industrial weavers' co-operative societies which brought together weavers to a central place where they could produce the varieties of cloth for which they had special aptitude. Such a society would pay the workers wages in addition to the supply looms.

Sri R. V. Raman, I.A.S., Collector, Tirunelveli, presided over the function. He stressed that it was up to the weavers societies to

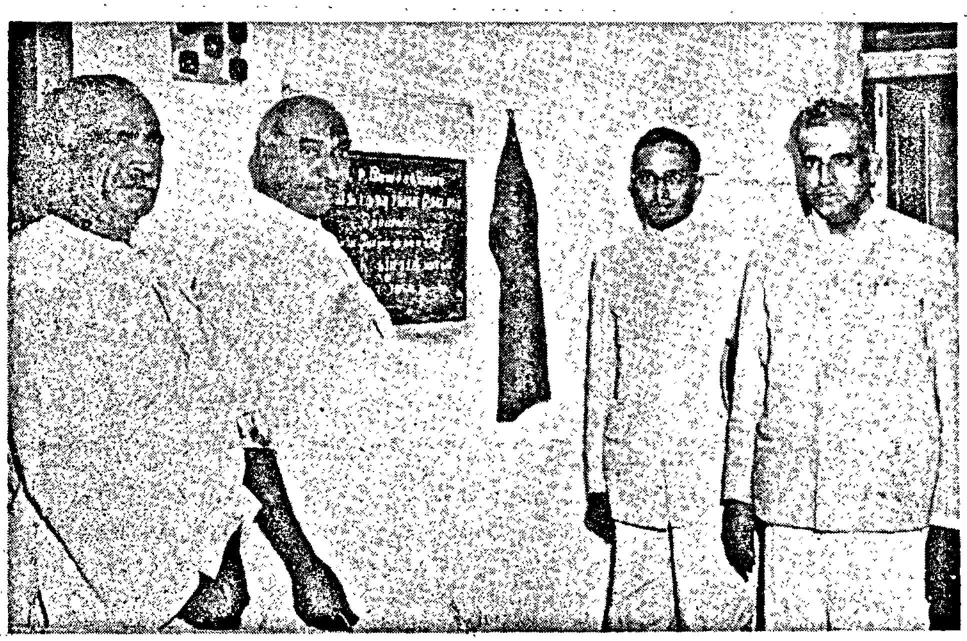
Sri K. Kamaraj, Chief Minister inaugurated the Pilot Scheme of Integrated Rural Credit and Marketing at Srivilliputtur on 19th July 1956.



Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies inaugurated the District Handloom Weavers Co-operative Federation at Tirunelveli on 20th July 1956.



Sri K. Kamaraj, Chief Minister laid the foundation stone of the ginning factory to be constructed by the Srivilliputtur Uganda Cotton-growers Co-operative Marketing Society Ltd., on 19th July 1956.



Sri K. Kamaraj, Chief Minister opened the godown of the Ramachandrapuram Co-operative Multi-Purpose Society in the Ramanathapuram District on 19th July 1956.

implement the schemes for the benefit of weavers. He also asked the co-operators who assembled there to give a concrete plan for the development of handloom industry for inclusion in the Second Five Year Plan.

Sri G. Ramachandran, I.A.S., Director of Handlooms, Madras, pointed out that under the Second Five Year Plan out of 200 crores Rs. 56 crores had been earmarked for handlooms. He appealed that the weavers co-operative societies should arrange for admission of new looms so as to reach the target fixed in the Second Five Year Plan. He said that he was happy to learn that Sri Medai Dalavoi Kumaraswami Mudaliar agreed to be the President of the Federation. He hoped that the Federation would be run efficiently under the able guidance of Sri Mudaliar. He asked the delegates of weavers societies to give continuous work to all the looms working in the societies.

Sri V. S. Sankarasubramania Mudaliar, B.A., B.L., Director, The Madras State Handloom Weavers' Co-operative Society and Sri A. P. C. Veerabahu, B.A., President, Tirunelveli District Supply and Marketing Co-operative Society addressed the gathering.

Sri S. Subbiah Mudaliar, Secretary, Tirunelveli Weavers' Co-operative Society, proposed a vote of thanks.

Proceedings of the Golden Jubilee Celebrations of the Salem Co-operative Urban Bank, Ltd., held on 12-8-1956.

INAUGURAL ADDRESS

SRI A. B. SHETTY, M.L.A.,
Minister for Health, Government of Madras.

I am glad to be associated with the Golden Jubilee Celebration of your Bank. This important event constitutes a landmark in the history of your Bank, which has been doing steady and good work during the last 5 decades. Let me congratulate the Directors, past and present on their able stewardship which has been responsible for the position which the Bank has attained to-day.

The Need for Urban Co-operative Banks

2. In almost all important towns in the State, urban co-operative banks have sprung up and they have now taken a deep root.

Prior to the advent of co-operative urban banks, there were, no doubt, joint stock banks doing banking business in urban areas but they were few and far between. Even now it is estimated that only 40 per cent of the urban areas is covered by these joint stock banks. The reason is that these joint stock banks are not suited to help small artisans who require small loans, as the cost of advancing and recovering such loans is high. Further, they cannot have intimate knowledge of the resources and requirements of persons of moderate means. They are consequently disinclined to advance loans to such men. Traders, merchants and artisans of limited means are, therefore, forced to seek the help of money-lenders and similar agencies for their credit requirements paying exhorbitant rates of interest. Co operative urban banks cater to the needs of such men and have come to play an important part in the development of urban economy. In point of membership and volume of transactions, these banks rank next only to agricultural credit societies.

Help to Small Industrialists and Agriculturists

The Sixth Meeting of the Small Scale Industries Board held recently at Srinagar has resolved to establish more urban banks at the rate of 300 per year to channel loans to small industrialists. A sub committee has been appointed, of which our Registrar is a member, to suggest suitable measures to implement this decision. Even

on the agricultural side, these banks have got a vital role to play, particularly in areas where the members of these banks are either purely or mainly agriculturists. It has been estimated that out of the loans issued by the urban banks, nearly a crore of rupees is for agricultural purposes. The banks can take such steps as will be necessary to widen their sphere of usefulness to the agricultural members living round about the urban areas. A scheme is under consideration for the construction of godowns by urban banks in order to provide facilities for storage of agricultural produce with financial assistance from Government and I do hope that this urban bank will come forward to provide Storage facilities to the agriculturists of this area.

Mobilising Savings

3. Urban banks are suitable agencies for mobilising savings and for promotion of thrift among their members. It is pleasing to note that your Bank is encouraging small savings among the members and they are making recurring deposits by making use of the hundi boxes you give them depositing their small savings every day. May I, however, suggest that a system of compulsory deposits from members more or less on the lines obtaining in the employees societies may also be tried? Another matter which needs consideration is about the reduction of the rate of interest. The directors may examine how they can reduce the present rate of $7\frac{1}{2}$ per cent to say, $6\frac{1}{4}$ per cent.

Expansion of Agricultural Credit and Marketing

4. Programmes of co operative development have been drawn up broadly on the lines recommended in the Rural Credit Survey Committee's Report. As you are aware, a major co-operative scheme in the Second Five Year plan is the expansion of agricultural credit and marketing. In January last, Government introduced a scheme of integrated credit and marketing and the establishment of large sized societies as a pilot measure in 6 districts. Encouraged by the results, the Government have since extended the scheme to all the districts in the State. Under this seheme, 2 taluks will be selected in each district for intensive co-operative development with a special staff for the purpose. In these taluks, 68 large sized societies will be established and 40 marketing societies will be taken up for intensive development. 58 godowns will be put up of which 18 will be by marketing societies and the rest by large sized societies and rural credit societies.

A Report of the Decennial Celebrations of the Chandrasekarapuram Co-op. Stores, Ltd., held on the 4th August, 1956.

On the 4th August, 1956, the Chandrasekarapuram Village and its vicinity presented a spectacular and festive appearance. The approaches to the village from Valangaiman were daily decorated with coconut leaves and gay arches, co-operative flags and festoons. As one entered the village Chandrasekarapuram, one was struck by the artistic excellence of the coconut leaf decorated entrance; at the entrance of the Stores, another arch, carrying the words: '*Welcome; Visit the Great Consumer Experiment*' beackoned the visitors. The sun was just spreading out its lustrous rays over the long green fields; the gentle and refind nadaswaram music by Karukuruchi Arunachalam was refreshing and uplifting.

Handloom Exhibition

The Handloom Exhibition was a treat to the eye and the handloom products on display were very interesting and attractive. A play card "Buy Handloom.—It gives life to Millions" greeted the eyes. The products of 35 Weavers Co-operatives were on display. Besides, a highly artistic embroided carpet, with an intricate and beautiful design was spread and it was a cynosure for all eyes. An imposing pandal, housed the packed audience and the dais was gaily decorated. There was a large gathering. Messrs. V. Karthigayen, I.A.S., Sri A. Palaniappa Mudaliar, Medai Dalavoi Kumaraswami Mudaliar, A. Krishnaswami Vandayar, C. Ramaswamy Mudaliar, M. P., Kunniyur Sambasiva Iyer, C. R. Srinivasan and others attended the celebrations.

The proceedings commenced with prayer by Mrs. Lakshmi Natarajan. Mr. G. Karuppiah Moopanar, President, Chandrasekarapuram Co-operative Stores, Ltd., welcomed, Sri T.T. Krishnamachari, Union Minister for Commerce and Industry and others. He presented to the Union Minister a casket, containing nine gold coated silver cadjan leaves, on which the welcome was engraved. Sri T.N. Subramanya Iyer read the messages received from distinguished men both in India and abroad. Sir S. Radhakrishnan, Vice-President of Indian Union, Dr. C. P. Ramaswamy Iyer, Rajaji, H. E. Shri Sri Prakasa, H. E. Sri Trivedi, Sri B. Rama Rau, Governor of Reserve Bank, Sri S. Nityanand Kanungo, Sri Morarji Desai, Dr. S. Punjabrao

Deshmuk, Sri A. B. Shetty, Sri T. M. Narayanaswami Pillai, Sri C. V. Narasimhan, Sri W. R. S. Sathianathan, Sri P. V. Rajamannar, and others had sent messages wishing the function all success. Howard A. Cowden, Dr. M. M. Coady, Miss Margret Digby, Robert Southern, Mr. Davidson. Dr. Mauritz Bonow Marcel Brot, President, I.C.A. and other foreign co-operators had also sent fraternal greetings.

Presentation of the Decennial Report

Sri V. Kalyanarama Iyer then presented the Decennial Report. The Report traced the history of the Chandrasekarapuram Co-operative Stores Ltd, from its inception in December, 1944. It had then a membership of 101 and a share capital of Rs. 3,000. To-day it has grown into a successful Consumer Co-operative, with more than 1,000 members and a share-capital of Rs. 29,000. In its growing membership, its increasing share capital, its accumulated own funds position, its mounting turnover of Rs. 8 lakhs, its steadily increasing slock-turn frequency, its upward moving gross margin of 7 01 per cent and net margin of 20 per cent of sales, in fact, in every respect, the Stores has shown an ever quickening tempo of growth and progress which its inherent business vitality has endowed it with. The Stores to-day serves a clientele of nearly 45,000 people or 9,000 families, spread over 61 villages in the Papanasam and Kumbakonam taluks, through its four branches at Valangaiman, Papanasam, Sundaraperumalkoil and Kumbakonam with all the necessaries of life, like food, groceries, cloth, the semi-luxuries like toilet, oil, coffee, tea, cycles, etc., and the indispensable agrarian requirements like seed, cart-tyres iron and steel, manures, fertilisers etc. Its inventory list is a formidable one, with as many as 300 items listed and priced. The Stores is a pace-setter both in shaping the level of prices and in maintaining a high standard of consumer service. It pursues an active price policy and in a position to hold the price line in the rural neighbourhood, in which it operates. Thus, the Stores ensures a higher real income to the farmers, which is indisputably one of the most important economic services performed by the Stores. The Stores is managed by a Board of Directors who are democratically elected. Sri C. S. Ramachandran, is the indefatigable Secretary, whose cessless efforts and zeal has been responsible for the success achieved by the Stores The Stores has become a school of consumer education and a school of economic democracy as well.

Unveiling of the Portrait of Sri Govindaswamy Moopanar

Sri C. Ramaswamy Mudaliar, M.P. then spoke euogising the services rendered by the late Kapistalam Govindaswamy Moopanar, who had been the friend, philosopher and guide of the Stores. He was a generous hearted landlord, who was always ready and willing to help any worthy cause. He then requested Sri T. T. Krishnamachari to unveil the portrait.

PRESIDENTIAL ADDRESS

Sri T. T. Krishnamachary,

Union Minister for Industries and Commerce.

Sri T. T. Krishnamachari, Union Minister for Industries and Commerce, presiding over the Decennial Celebrations of the Chandrasekarapuram Co operative Stores Ltd., unveiled the portrait of Sri R. Govindaswamy Moopanar of Kabisthalam Estate and said that the late Moopanar was a great friend of the Co-operative Movement and other progressive social movements. He was willing to work for worthy causes remaining always in the background, land-lords like Mr. Moopanar are assets to any movement. He also said that neither the Prime Minister Nehru or any member of the Union Government nor the States wanted to do away with rich men. All that they wanted was that surplus wealth should be utilised for the general welfare of the community. It should not be locked up in a few hands going from father to son.

The Minister added that they were also not out to abolish the landed classes. They only wished to bring about a better distribution of land. But there were a host of problems connected with distribution. It was not enough if land was given to the poor tiller. He must be given advances for cultivation and purchase of equipment. Because the whole question bristled with difficulties, they were suggesting a more equitable sharing of the produce of land for the present.

Most of the newspapers in Tamil Nad, with the exception of some were up against the Government and tilted the scales in favour of the rich and propertied classes. Perhaps they felt that way or they were out to protect their advertisement revenue, the Minister said.

Mr. Krishnamachari said that the Congress and the Government were not against the capitalists. Most of the capitalists inthe country were self-made men who had built up their own fortunes. People in

the country should not fight shy of capitalism, so long as they had confidence in their own ability to build up their fortune In America, people were upset when there was talk of socialism, because every third man drove his own motor car and earned wages at so many dollars per hour.

Mr. Krishnamachari continuing, said that in this country the co-operative movement had a great future. He suggested that there should be a central organisation with a net-work of district officials, who should be empowered to act according to the needs of the situation in each locality. In working the All India Handloom Board, they had only 152 men at the Centre and they operated through the State Co-operative officials. If co-operation was to succeed, district officials should be appointed, who would take a lively interest in the work and find out where the shoe pinched and apply the remedy straightway instead of having to wait for orders from State headquarters. He was sorry to observe that co-operative departments were still bound down by age-old British rules and regulations which had become obsolete.

Successful Experiments in India.

Mr. Krishnamachari said that he had come all the way from Delhi to find out what was new in the Chandrasekarapuram Co-operative experiment. Though he was 56, he felt he was only going to school when he went to his office. He, had still the enthusiasm of the student and wherever he went he was receptive to new ideas and learnt a lot. He once visited a village in Kurnool district where a great co-operator Mr. Somappa, was running a handloom weaving colony, with facilities for printing, dyeing etc. When he visited Anand in Gujerat, he found the vast possibilities of what unremitting endeavour could achieve: 88 villages were knit together and the milk from all the families in the villages, were pooled, processed and sent to Bombay. That co-operative endeavour had brought great prosperity to all the villages of the group.

The co-operative movement had great possibilities. Until the other day it was confined to extending credit facilities to the agriculturists, but now it had spread to new fields.

Distribution Machinery.

Our Five-Year Plans had concentrated on increased production and it was time they bestowed attention on their distribution also. Here consumer co-operatives had a great part to play. Our objective of a socialistic economy could only be achieved through-co-operatives. The general tendency of the people was to patronise these societies in times of rising prices and desert them when prices fell. That should not be. People should cultivate an abiding faith in the movement.

The Minister in passing also referred to the rebate scheme in purchase of handlooms and said that the Madras Chief Minister was for abolition of the scheme inasmuch as merchants deceived the Government. His objection was not so much to Government losing the money as to their being made fools of by the merchants.

State Trading and Co-ops.

Regarding the request for using co-operative stores as distributing agents in State trading enterprises the Union Minister said that this should be done through a network of co-operative stockists, at least one in each taluk with several depots under them, for distribution of cement, iron, etc., at controlled price. All the same the Minister felt that private trade must also be there to function in competition, one acting as a check and corrective on the other.

As regards liberalisation of imports by co-operatives, the Minister said that at least the district officials, if not the co-operative department, must issue certificates to enable Government to act in the matter. The Minister was for liberalising the rules regarding payment of share money for membership in respect of the poor. He instanced the case of the house-building scheme for the poor weaver under which the Government advanced Rs. 3,000 and wanted the poor worker to find Rs. 600. Most workers found difficulty in getting this sum and rightly too. Government should liberalise this rule.

C. R. SRINIVASAN'S ADDRESS

Mr. C. R. Srinivasan, Editor, *Swadesamitran*, then spoke. He said that the huge gathering there was an unmistakable index of popular support to the co-operative movement. The Reserve Bank had come forward to give enhanced facilities to co.operatives. But societies could not be started without finance and it was the duty of the Government to take 50 per cent of the shares of each society. The Reserve Bank has promised to find the money needed therefor. To meet the expanding needs of co-operative societies, trained co-operators were also necessary. The Chandrasekarapuram Society was a bold pointer to others. In working co-operative societies they must learn to go on building up reserve funds and not seek to distribute it.

MR. MEDAI DALAVOI KUMARASWAMI MUDALIAR'S ADDRESS

It gives me very great pleasure to participate in the Decennial Celebrations of the Chandrasekarapuram Co operative Stores, which has been inaugurated by our distinguished and popular Union Minister for Industries and Commerce, Sri T. T. Krishnamachari. The Chandrasekarapuram Stores is a shining example of a consumer co operative, which has been operating in a rural area for more than a decade, discharging one of the most difficult of co-operative tasks, namely consumer service to a rural neighbourhood of some 50,000 people or 10,000 families. I believe that this Store is a model for a rural consumer organisation, in its administrative set up, in its working; in the service that it renders to the rural people. I must at the outset pay my tributes to the energetic Board of Directors, its young President Sri G. Karuppiah Moopanar and its enthusiastic Secretary Sri C. S. Ramachandran, but for whose dedicated service, the Stores would not have attained the great success.

During the Second World War, an impetus was given to the Consumer Movement; but the institutions did not develop healthy business skills and practices. With the advent of de-control, many of the consumer co-operatives began to report losses and their business vitality began to diminish very rapidly. Now, the consumer co-operatives are a tough problem to be tackled.

While the general picture of the Consumer Movement even in the urban areas is rather dark and gloomy, the position in the rural areas is darker still. If it is difficult to organise and successfully work a consumer store in an urban centre, it is even more difficult and almost herculean to do it in a rural area. One of the most important reasons is the very low purchasing power of the peasant ; next comes his relatively fewer needs and restricted cash consumer expenditure. On account of these factors, the retailer's margin gets considerably diminished Reviewing the whole position, the Townsend Committee on Co-operation as early as 1928 gave the verdict, that there was not much of a scope to organise a consumer store in a rural area and run it successfully, unless a considerable middle-class or institutional consumer demand could be tapped. There is much force and strength in that analysis. But of late, there is a growing recognition, that the rural institutions of finance, marketing, supply should be revitalised and strengthened, so that the rural folk may once again be made the masters of their own destiny. The All-India

Rural Credit Survey Report has already made certain bold suggestions for reinstating the rural people on the economic saddle. There is now a concerted move to reorganise the co-operative credit structure; linked with that is the move for strengthening the marketing structure by establishing a net work of warehouses and godowns. Equally important are the measures calculated to strengthen and fortify the rural consumer movement. The agriculturists are in dire need of an institutional set up that will take care of the supply needs like fertiliser, cloth, needs, improved tools, etc. and it is here that consumer co-operatives can play a vital part in the revitalisation of the agrarian economy.

We are happy that the Chandrasekarapuram Rural Stores has done a pioneering work in this field. Despite the pessimistic note of experts in the field, this Store has non-chalantly blazed a trail, well worth emulating by other consumer institutions. It has a membership over a 1,000 and its own funds have reached Rs. 6,000 level. Besides; it has the unique record of maintaining a steady annual turnover of Rs. 8 lakhs, a gross margin of 6.01 per cent and a net margin of 1.97 per cent of sales, despite the most disconcerting circumstances—the low retailers margin, the agricultural price collapses, the lack of federal assistance and so on. The secret of success of the Store lies in the fact that it is managed by an enthusiastic and diligent Board of Directors, in its honest and energetic paid management, in its skillfull and prudent business policy and above all in its excellent and efficient consumer service to the rural people. Let us hope that this Store will be a model for others to follow and to succeed. May this 'Consumer Experiment' grow from strength to strength.

SRI A. PALANIAPPA MUDALIAR'S ADDRESS

Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras, said that he was glad to participate in the Decennial Celebrations of the Chandrasekarapuram Co-operative Stores. It is a good example of what co-operation can achieve in a rural area by an active and enthusiastic Board of Directors. There are nearly 400 rural consumer co-operatives in the State and most of them have not fared well in their task. The reasons are many. After the decontrol, many of the Stores could not regain their war-time prosperity. But in the Second Five Year Plan, the Government have declared that strengthening of the Co-operative Movement was one of the main objectives and, therefore, he appealed to the consumer co-operatives to avail of the assistance given by the

Government and thus improve their working. He was glad that the Chandrasekarapuram Co-operative Stores had, slowly and steadily expanded its business to over Rs. 8 lakhs per year and increased their share capital to nearly Rs. 30,000. That is a good record. But he would appeal to the Board of Directors to increase their own funds strengih further and improve their standard of consumer service. It was a good thing to expand the trade from rural to urban parts. He said that the Stores should organise home delivery service in vans and supply the villagers with all their requirements at their very doors. Prompt and ready supply in proper time was essential to the success of a consumer co-operative. He said that the Government were considering the organisation of a State Co-operative Marketing and Supply Organisation to obtain goods from other States and distribute them within as also to effect the marketing of our saleable surplus to other states.

With a vote of thanks by Mr. Abdul Hameed, the function terminated. The Celebrations were rounded off by a sumptuous lunch.

G.O.'s and Circulars

LOANS ON THE SECURITY OF DEBENTURES

Memorandum of the Registrar of Co-operative Societies, Madras

SRI A. PALANIAPPA MUDALIAR, M.A.,

Registrar

R. C. No. 12690/56 J Dated 16-4-1956.

SUB:—Central Land Mortgage Bank—Debentures of the Bank—Raising of loans on the Security of Central Land Mortgage Bank Debentures in the State Bank of India.

REF:—Letter dated 24-3-1956 of the Deputy Secretary and Treasurer of the State Bank of India, Madras.

An extract of paragraph 1 of the letter cited is communicated to all the Deputy Registrars including the Deputy Registrar, Land Mortgage Banks for information.

......We are prepared to consider proposals for advances against the Security of the Co-operative Bank and/or Land Mortgage Bank Debentures guaranteed by State Governments as to the repayment of principal and the payment of interest......

V. S. THANGASWAMY,
For Registrar.

REGISTRATION FEES—HARIJAN SOCIETIES—CLARIFICATION

Copy of G.O. Ms. No. 1665 Department of Industries, Labour and Co-operation, dated 20-4-56.

SUB:—Co-operative Societies—Harijan Societies—Exemption from Registration fees—Orders—Clarified.

READ AGAIN:—G.O. Ms. No. 1970 Industries, Labour and Co-operation, dated 1-6-1955.

(i) From the Inspector General of Registration Letter No. 141 General, dated 24-11-55.

(ii) From the Registrar of Co-operative Societies, Letter Rc. No. 194126/55 V. dated 5-2-1956.

ORDER:

According to the orders issued in para 1 (ii) of the G.O. read above, exemption from payment of registration fees is on respect of

documents executed by Co-operative Societies the majority of whose members are Harijans, in favour of Harijans only. A point has been raised whether the exemption will be applicable in respect of a promissory note executed by a Harijan Co-operative Society in favour of a District Central Bank and presented for registration. As the beneficiaries under the pronote are only the Harijan members of the Society, the document will come within the purview of the exemption granted in para 1 (ii) of the G.O. read above. However, to make the intention clear, the Registrar of Co operative Societies has proposed that the words "in favour of Harijans" occurring in paragraph I (ii) of G.O. Ms. No. 1970 Industries, Labour and Co-operation, dated 1-6-55 may be omitted. The Government accept his proposal.

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

NOTIFICATION I.

In exercise of the powers conferred by section 30 (2) (b) of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), the Governor of Madras hereby makes the following amendment to the Industries, Labour and Co operation Department Notification No. 434 dated the 1st June 1955, published at page 875 of Part I of the Fort St. George Gazette, dated the 15th June 1955.

AMENDMENT.

In the said Notification the words "executed in favour of Harijans" shall be omitted.

(True Copy)

Office of the Registrar of
Co-operative Societies, Chepauk, Madras,
dated 28-4-1956.

Endt. R.Dis. No. 194126/55-V.

Copy Communicated to all Deputy Registrars on general duty and Special Development Officer, Madras in continuation of Registrar's endorsement R.C. 165354/54-V. dated 14-6-56.

V. S. THANGASWAMY,
For Registrar.

INVESTMENTS IN JOINT STOCK BANKS

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

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

Rc. No. 102566/56 A-1 Dated 11—6—1956.

SUB :—Co-operative Central Banks—Investment of funds in Joint Stock Banks—not to be resorted to—instructions issued—

Of late, a number of applications is being received from the District Co-operative Central Banks seeking Registrar's permission to invest their surplus funds in call deposits or short deposits in joint stock banks. The surplus funds with the Central Banks should normally be invested in the Madras State Co-operative Bank. The apex Bank should be the custodian of the surplus resources of the Co-operative Banking system. Co-operative money should not be allowed to flow into the joint stock banks however short the period may be. All the Central Banks are, therefore, requested to refrain from making season or call deposits with the joint stock banks.

S. NITHIYANANDAM,
For Registrar.

RURAL HOUSING SCHEME

Copy of G.O. Ms. No. 2885 of the Department of Industries, Labour and Co-operation, dated 12th June 1956.

SUB :—Housing—Rural Housing Scheme—Extension of the Scheme to villages in the major panchayats which have a predominently rural outlook—Registrar's proposal approved.

READ AGAIN :—G.O. Ms. No. 1494 Development dated 14-4-50.

READ ALSO :—1. From the Registrar of Co-operative Societies, Rc. No. 167458/54, Z-4 dated 6-3-56.

2. From the Registrar of Co-operative Societies Rc. No. 167458/54, Z.1 dated 23-4-56.

ORDER :

The Government accept the proposal of the Registrar of Co-operative Societies that the Rural Housing Scheme approved in G.O. Ms. No 1494, Development dated 14-4-50 may also be extended to the villages included in the major panchayats which have a predominantly rural outlook. The Registrar is requested to ensure that the areas of operation of Rural Housing Societies and Urban

Housing Societies are clearly earmarked to avoid overlapping of jurisdiction in any place.

(By order of the Governor)

Endt. R.C. No, 167458/54, Z.4. Office of the Registrar of Co-operative Societies, Madras. dated 15-6-56.

Copy communicated.

S. V. RAMACHANDRACHAR,
For Registrar.

NATIONAL DIPLOMA IN COMMERCE—RECOGNITION OF

Circular of the Registrar of Co-operative Societies, Madras

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

Rc. No. 152784/55-A1 Dated 24-6-1956.

SUB :—Co-operative Central Banks—Special by-laws relating to service conditions of employees holders of National Diploma in commerce—Recognition—Instructions issued.

REF :—Letter No. F-4. 8/52 T-2, dated 8-8-1955 of the Secretary All India Council for Technical Education.

A copy of the letter cited is communicated to all the Central Co-operative banks—The Central Banks are informed that the national Diploma in commerce may be recognised as equivalent to the B. Com. Degree for purposes of recruitment. They are however informed that a National Diploma Holder in Commerce cannot be considered to have the equivalent qualification of a B. Com. graduate with Co-operation as special subject. They may adopt necessary amendments to the special by-laws relating to service condition of employees on the above basis.

A. PALANIAPPAN,
Registrar.

Copy of Letter No. F. 4-8-52. T-2, dated 8-8-1955 from the Secretary, All India Council for Technical Education, addressed to the Secretary, Reserve Bank of India, Bombay.

SUB :—Grant of "Graduate Allowance to holders of the National Diploma in Commerce.

I am directed to state that the holders of the National Diploma in Commerce employed in banking organisations have represented that they are not being treated on par with other graduates for purposes of payment of special allowances, which are given by banks to graduates and certain other categories of employees.

2. The National Diploma in Commerce is awarded by the All India Council for Technical Education, a body set up by the Government of India to advise them on all matters relating to co-ordination and promotion of higher technical education. The Government of India in consultation with the Union Public Service Commission have recognised the National Diploma in Commerce as equivalent to a B. Com. Degree of an Indian University for purposes of recruitment to posts and services under them. The Comptroller and Auditor General of India has also recognised this Diploma, as equivalenent to a Bachelor's degree in Commerce for purposes of employment in his own and his subordinate offices. The course is of 4 years duration, 3 years full time academic study at an institution affiliated to the All-India Council for Technical Education followed by one year's practical training in approved Commercial and Industrial organisations or Government departments. The minimum qualification for admission to the course is Matriculation of an Indian University or its equivalent, The course is equivalent in standard to B. Com. Degree courses of Indian Universities, but it lays greater emphasis on practical aspects and is designed to meet the requirements of Commerce and Industry.

3. The above facts were brought to the notice of the Sastry Tribunal. It appears from the Sastry Award that the National Diploma holders have not been included in the list of categories of employees who are recommended as fit for special allowances (paragraphs 163 and 164 of the Award refer). In the absence of any clear stipulation in the Award, the Banks are reluctant to extend to the National Diploma holders such benefits as are allowed to other graduates. This has naturally upset the holders of the National Diploma who have been placed at a disadvantage compared to other graduates.

4. I am to add that besides the Reserve Bank of India, the following banking organisations have already recognised the National Diploma in Commerce as equivalent to B. Com. Degree for purposes of granting special allowances.

1. The Imperial Bank of India (now State Bank of India.)
2. The Hindustan Commercial Bank, Ltd.
3. The United Commercial Bank, Ltd.

It is therefore, only equitable and fair that the National Diploma holders employed in other banking institutions in the country should be treated on terms of equality with the other graduates and granted the same concessions as are given to other graduates. I am, therefore, to request that the Reserve Bank of India may kindly use their good offices and persuade all the banks in the country to recognise the National Diploma in Commerce as equivalent to a degree in Commerce and treat them on par with graduates for purposes of pay and allowances and other benefits.

(True Copy)

K. V. SUBBARAYAN,
Manager.

T. A. TO MEMBERS OF HOUSING CO-OPS.

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

Rc. No. 32363/56-ZI. Dated 29-6-1956

SUB:—Housing—Co-operative Housing Societies—Maximum rates of Travelling Allowance etc. payable to the members of co-operative housing societies—prescribed.

ORDER:

Under Rule XXVIII-A (V) of the Rules framed under the Madras Co-operative Societies Act VI of 1932, the Registrar hereby prescribes the following maximum rates of Travelling Allowance, Daily Allowance, sitting fees etc., that may be paid to the members (including members of the Committee) of the various types of housing societies for journeys performed by them in connection with the business of the societies concerned.

I. Co-operative Township and Co-operative House Construction Societies

For journeys by Rail	...	Single I class
„ Road	...	Re. 0-4-0 per mile
Daily allowance	...	Rs 7 for halts in Madras City and Rs. 5 in other places
Sitting fee for members of Committee only	...	Rs. 5 for each meeting attended.

II. Co-operative House Building Societies and Co-operative Ordinary Building Societies

For journeys by Rail	...	Single II class
„ Road	...	Re. 0-3-0 per mile

Daily allowance	...	Rs. 5 for halts in Madras City and Rs. 3 in other places
Sitting fee for members of Committee only	...	Rs. 2 for each meeting attended.

III. Co-operative Rural Housing Societies

For journeys by Rail	...	Single III class
,, Road	...	Actual bus fare or 2 annas per mile
Daily allowance	...	Rs. 2 per day
Sitting fee	...	Nil

2. The above are the maximum rates that can be adopted by the housing societies and it is open to them to adopt lower rates with reference to their financial resources. The rates so adopted by them shall be got incorporated in their by-laws.

3. The Registrar directs that the claim for Travelling Allowance, etc., shall be preferred in the form of bill enclosed to the proceedings.

S. NITHYANANDHAM,
For Registrar.

FORM OF T. A. BILL.

Name and designation	Dates and hours of journey and halts		Purpose of Journey	Kind of Journey	No of Miles	Mileage	Daily Allowance		Railway fare	Total of each line
	From	To					No. of days	Amount		

CERTIFICATE:—1. Certified that the journeys for which claim has been made in this bill were not performed in a borrowed conveyance.

2. Certified that no claim has been made or allowances drawn for the journeys from any other society.

Sd. Member/Director.

WARPERS AND SIZERS—ADMISSION INTO WEAVERS' CO-OPS.

Circular of the Registrar of Co-operative Societies, Madras

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

R.C. No. 46698/56-K2. Dated 30-6-1956.

SUB:—Handloom Industry—Weavers Co-operative Societies—Admission of Warpers and Sizers as members—instructions issued.

REF:—G.O. 1202, Development dated 19-3-1947.

In their order cited, the Government directed that Weavers' Co-operative Societies should be composed exclusively of weavers. The All India Handloom Board in its letter No. HB/161-56, 2886 dated dated 4-4-1956 (communicated with the Registrar's endorsement R.C 46698/56-K2 dated 24-4-1956, communicated the decision of its standing committee to the effect that there would be no objection to the persons doing preparatory processes of warping and sizing of yarn for weaver members being enrolled as members of weavers co-operative societies eventhough they might not possess loom (as required under the general principles formulated by the All India Handloom Board for sanction of assistance from cess fund), provided they were employed by the societies and not by individuals.

2. In their memorandum No. 59322-PIII/56-1, Industries, Labour and Co-operation, dated 21-6-1956, Government have modified their orders issued in G.O. cited permitting the admission of persons employed for warping and sizing of yarn for the weaver-members of weaver co-operative societies as members of the societies. This concession is however, subject to the condition that such persons are employed by the societies and not by individual weavers. No financial assistance from the cess fund will be available for the admission of these persons as members. A copy of the Government memorandum is communicated to the Deputy Registrars for information.

3. The Deputy Registrars are requested to bring these instructions to the notice of the Weavers' Co-operative Societies.

G. RAMACHANDRAN,
For Registrar.

Copy of Government Memorandum No. 59322-PIII/56-1,
Department of Industries, Labour and Co-operation,
dated 21st June 1956.

SUB :—Handloom Industry—Cess Fund—Admission of warpers and sizers as members of weavers' co-operative societies—Permitted.

REF :—From the Registrar of Co-operative Societies, letter No. R.C. 46698/56-K2, dated 2nd, June 1956.

In partial modification of the orders issued in paragraph 4 of G.O. Ms. No. 1202, Development, dated 19th March 1947, the Government permit the admission of persons employed for warping and sizing of yarn for the weaver-members of weavers' co-operative societies, as members of the societies. This concession is however subject to the condition that such persons are employed by the societies and not by individual weavers. No financial assistance from the cess fund will be available for the admission of these persons as members.

(True copy)

O. V. RANGASWAMY,
Manager.

News and Notes

SRI A. KRISHNASWAMY VANDAYAR ELECTED AS PRESIDENT

At a meeting of the Board of Directors of the Tanjore District Co-operative Central Bank, Ltd., Sri A. Krishnaswamy Vandayar was elected as President for the triennium 1956–59. Sri R. Ramalingaswamy Nattar was elected as Vice-President.

THE SANKARANKOIL CO-OPERATIVE STORES GENERAL BODY MEETING

The General Body Meeting of the Sankarankoil Co-operative Stores Ltd. was held on 24th June 1956. A net profit of Rs. 2,888–15–0 was reported.

NILGIRIS CO-OPERATIVE MARKETING SOCIETY, LTD. GENERAL BODY MEETING

The Nilgiris Co-operative Marketing Society's General Body Meeting was held on 11th July 1956. The Society had 3153 members and a share capital of Rs. 1,00,382-4-0. As on 30th December 1955, the Society had Rs. 4,08,64-13-0 as outstandings. The society during the calender year 1955 advanced Rs. 1,00,783-11-0 on member's produce and sold Rs. 13,25,281-4-0 worth of goods. It earned a commission of Rs. 44,157-4-0. It sold Rs. 15,58,353-2-0 worth of fertilisers and Rs. 2,066-14-0 worth of potatoes. It earned a net profit of Rs. 1,00,829-8-0. Its Reserve Fund amounted to Rs. 3,24,878-0-0 and its assets stood at Rs. 69,829-10-0. It allowed a total rebate of Rs. 23,781-0-0 to the members, for both the purchase of fertilisers and the sale of potatoes through the Society at the rate of 4 annas per bag. Sri H. B. Ari Gowder, B.A., M.L.A. is the President of the Society and Sri K. P. Ramunni Menon, B.A., is the Deputy Registrar Secretary of the Society.

THE COONOOR CO-OPERATIVE URBAN BANK

The Coonoor Co-operative Urban Bank, Ltd. held during the year 1955-56 issued 4,805 loans, amounting to Rs. 17,62,515, of which 77 per cent of the loans were small loans, less than Rs. 250. The loans outstanding at the end of the year were Rs. 6,39,906. There were no overdue amounts under loans. Rs. 5,50,739 were short term loans, while Rs. 89,167 were one to two year loans. The

Bank is developing the thrift habit of the people of Coonoor. Savings Deposits account for Rs. 5,59,513; Hundi collections amounted to Rs. 6,704. Nearly 90 per cent of the families in Coonoor have one kind of deposit or other with the Bank.

SUPERVISORS' CONFERENCE AT VELLORE

Under the Presidentship of Sri B. Bhakthavâtsalu Naidu, a Conference of the Supervisors of the North Arcot Co-operative Central Bank Ltd. was held on 10th July 1956. He exhorted the supervisors to work hard and reduce the percentage of defaulting Societies and the overdues. As on 30th June 1956, the percentage of defaulting societies was 30.5 while that of overdues was 20.76 per cent. There was appreciable improvement over the corresponding figures of 51.5 per cent and 37.58 per cent respectively last year. He said that at the end of the Second Five Year Plan the Bank's loan transactions should be increased to Rs. 1.52 crores. Sri S. V. Chitti Babu, Principal, Government Teachers' Training College, Katpadi then inaugurated the Conference. He said that Supervisors were teachers of Fundamental Education. So, they may be patient and work hard to educate the agriculturists in the principles of co operation. He exhorted them to bring 80 per cent of the villages and 50 per cent of the population within the Co-operative fold. Sri B. D. Siromani, Deputy Registrar said that Rs 12 crores have been allotted to the District for Co-operative Development Schemes. Sri P. I. Subramaniam Pillai, Deputy Registrar asked the Supervisors to work like Grama Sevaks. Sri M. S. Seshachalam Iyer, and others spoke.

RURAL CREDIT DEVELOPMENT SCHEMES IN RAMANATHAPURAM DISTRICT

A Conference of the representatives of Co-operative Unions, Supervisors and Extension Officers (Co-operation) Ramanathapuram District numbering about 200 was held on 12th August 1956 at Madurai to consider the lines of development of co-operative activities during 1956-57 under the Presidentship Sri R. Naguluswami Naidu, President, Ramnad District Co-operative Central Bank Ltd. Sri S. Rajayya Nadar, Deputy Registrar, Ramnad, explained the Integrated Rural Credit Scheme, the principle of crop loans, the linking of marketing and credit and the measures for the quick dispensation of credit through post sanction of loans. He appealed to the people to co-operate with the Government in the successful implementation of the Schemes. Sri P. Raman, Deputy Registrar

Sivaganga, Sri S. Subramaniya Iyer, Special Deputy Registrar, Srivilliputhur, and Sri Maikandadevan, Secretary, Ramnad District Co-operative Central Bank then addressed the gathering.

The following decisions were arrived at the Conference.

8 Agricultural Banks will be organised in the Sattur and Srivilliputhur Taluks. The Srivilliputhur Firka has been selected for introducing the Full Finance Scheme *i.e.* to issue loans through credit societies to the ryots to meet the entire need such as agricultural, domestic, Kist etc. 59 credit societies will be organised in the District during the year 1956-57. On the whole 50 per cent of the villages in this district will be covered serving 22 per cent of the rural population during the first year of the plan period. The cultivators will be supplied with loans to the extent of Rs. 37 lakhs, which works out 10 per cent of their total credit needs.

3 Marketing Societies in the District have been selected for intensive development by linking credit with Marketing. Of them the marketing societies at Sattur and Srivilliputhur will construct one godown and a Ginning Factory each with financial aid from Government. Apart from these Societies, 2 credit societies, one Rural Bank and one Agricultural Bank will construct one godown each with assistance from Government by way of subsidy and loan. Quarterly programmes were prepared for the implementation of the scheme.

A training class for Panchayatdars and members of Rural Credit Societies will be held at Srivilliputhur in pursuance of the Scheme of Co-operative Training and Education under the Second Five Year Plan. 110 members and Panchayatdars, will be given training for a period of 30 days and they will be paid stipend for the training period.

MILK CENTRE AT TIRUCHY VILLAGE

Sri M. K. Bhat, Deputy Registrar, Tiruchi North inaugurated a Milk Centre at Thaiyanoor, a village seven miles from Tiruchi Town on 1st August 1956. The Milk Centre will be under the auspices of the Tiruchi Srirangam Co-operative Central Milk Supply Union and it is a part of the Co-operative Dairying scheme under the Second Five Year Plan. Sri N. Rajavelu Tevar, President welcomed the audience. Sri S. V. Ramachandra Iyer and Sri T. S. Ramanujam, Dairy Assistant addressed the gathering.

SOUTH ARCOT CO-OPERATIVE SUPERVISORS CONFERENCE AT CUDDALORE.

Presiding over the Conference of Supervisors, representatives of the Unions and Sale and Marketing Societies of the South Arcot District from 21st to 23rd July 1956, Sri R. Kanakasabai Pillai, President, South Arcot District Co operative Central Bank Ltd. stressed the need for the expansion of the Movement during the Second Five Year Plan. He appreciated the reduction in the overdues from 27 per cent on 30th June 1955 to 13 per cent as on 30th June 1956. He exhorted the supervisor to reduce the overdues to '*Nil*'.

Sri D. A. Swayamprakasam, Deputy Registrar, Cuddalore emphasised that the quarterly targets must be achieved as per schedule. Sri C. Vannamuthu, Deputy Registrar Tirukoilur said that the village societies should be strengthened and the personal contact with members should be increased. Sri T.R. Dharanidharan, Secretary of the Bank commended the programme for expansion.

The Conference was held for three days. The main features of the programme were (1) conversion of 6 primary credit societies into Agricultural Banks, (ii) Construction of godowns in 2 centres, (iii) Processing Plants to be established in 2 centres (iv) Revival of 181 dormant societies. Besides these, it was programmed to cover 50 per cent of the villages, 30 per cent pupulation and to cater to 12 per cent agricultural credit needs *i.e.* Rs. 61.64 lakhs.

'CO-OP.' INKS–A NEW CO-OPERATIVE VENTURE

Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras, inaugurated on the 11th June 1956 the manufacture of fountain pen inks in the premises of the City Co-operative Stores Ltd., Gopalapuram, Madras. Sri S. Natarajan, President of the Stores welcomed the Registrar and requested him to extend to them marketing facilities. Sri A. Palaniappa Mudaliar congratulated the Stores on its new venture. He advised them to manufacture other products, by means of which they would be able to run their society efficiently. Mr. C. K. Vedantadesikacharya, Secretary proposed a vote of thanks.

SRI K. SUBRAMANIAM NAIDU'S PORTRAIT UNVEILED

The Independence Day celebrations of the Rayalaseema Co-operative Institute, Anantapur commenced with flag salutation at 8 a.m. in the presence of all the trainees and the lecturers on 15th August, 1956. The flag hoisting was done by Mr. P. Audinarayana the youngest trainee followed by an exhortation by Sri R. Venkatasiva Sastry, Co-operative Sub-Registrar to keep the honour of the flag always bright and untarnished. In the evening a public meeting was held under the presidentship of Sri P. Bayappa Reddy, when Sri B. Joogappa, M.A., I.A.S., (Retired) delivered an inspiring address on "Samskruthi and Sahakaramu" while inaugurating the Students Union. Sri V. Pola Reedy, B.A., B.L., District and Sessions Judge, Anantapur unveiled the portrait of Sri K. Subrahmanyam Naidu, M.A., I.A.S., Registrar of Co-operative Societies, Andhra. Sri T. S. Rajagopala Iyer acknowledged the portrait on behalf of the management of the Institute. The significance of the Independence Day was explained by Sri S. Narayanaiah, Lecturer. Messages wishing the function every success were received from Messrs. Punjabrao Deshmukh, Union Minister for Food and Agriculture. Justice Chandra Reddy, Andhra High Court, P. Lakshmaiah, Member of Parliament, B. Venkataratnam, President of the State Bank and others. Sri C. Kameswara Rao, Principal offered a vote of thanks. After the meeting the students stagged a Drama "Kala Kosam" and also staged a scene from "Vuri Siksha".

PONDICHERRY CO-OPERATIVE NEWS

CONSUMER CO-OPERATIVES BRING DOWN PRICES

The Pondicherry Administration bought 10 tons of rice and 10 tons of sugar from the Government of India stock at Madras and distributed them through Consumer Stores. It has arrested the soaring trend of prices and brought them down. Sugar, which was selling at 9 annas per *rattal* (14 palams) came down to 8 annas. The Co operative Store price of sugar is Rs. 0-7-3 per *rattal*.

CO-OPERATIVE WEAVERS CONFERENCE

A conference of the representatives of Weavers Co operative Societies in Pondichery State was held in the office of the Registrar of Co-operative Societies on 16th June 1956. Sri V. S. Matthews, I.A.S., Chief Secretary presided over the conference, Sri D. N. Doraiswamy Mudaliar, Registrar advised the members to maintain proper accounts and manage the societis efficiently. He appealed to them to increase the number of active looms and to produce utility varieties. Sri Balakrishna Menon, Inspector-General of Police, also attended the Conference. There are 13 Weavers Co-operative Societies with about 1,300 looms in Pondicherry State, 10 in Pondicherry area, one each in Karaikal, Mahe and Yanam. They have been sanctioned about Rs. 2.41 lakhs of loans towards working capital, share capital etc.

CO-OPERATIVE MEDICAL STORES

An informal meeting of the promoters of the Pondicherry Co operative Medical Stores was held in the Registrar's Office on 11th August 1956. Sri D. N. Doraiswamy Mudaliar presided over the meeting.

INAUGURATION OF MURUNGAPAKKAM FISHERMEN CO-OPERATIVE

The Murungapakkam Fishermen Co-operative Society was inaugurated by Sri J. Chandrasekara Chettiar, Councillor for Co. operation, Pondicherry on 15th August 1956 at Murungapakkam. Sri C. S. Seshadri, I.A.S., Secretary, Development Department hoisted the National and Co-operative Flags. Sri V. Subbiah and Sri R. Srinivasan, Director of Fisheries addressed the gathering. Sri R. Vaithilingam, Mayor of Mudaliarpet distributed yarn to the members.

COIMBATORE DISTRICT BANK SUPERVISORES' CONFERENCE.

A conference of the Supervisors, Union representatives and officials was held under the auspices of the Coimbatore District Co-operative Central Bank Ltd., on 3rd July 1956. Sri S.P. Muthukumaraswamy Gounder presided. Matters relating to the issuance of pump set loans, individual maximum borrowing power, application of Rule 8 (a), the working of Controlled Credit Scheme, the Pilot Scheme etc. were discussed at the conference.

SAURASHTRA CENTRAL CO-OPERATIVE INSTITUTE'S PILOT PROJECT SCHEME.

The first training class for Secretaries of Co-operative Societies under the Pilot Project Scheme, which was started at lower Jadeshwar on May 21, 1956 was completed on July 4, 1956. 37 Secretaries and 10 private candidates attended the course. The trainees took part in the Co-operative Day celebrations of the Plan Festival, organised by the Saurashtra Government in the month of June, 1956. They also undertook Shram work. Shrimati

Bhaktibahen Desa, Sri D. M. Bhatt, Registrar and Sri P. B. Buch, Planning Officer visited the training centre. Thirty trainees passed the examination in Co-operative Law, Co-operative Principles and Co-operative Accounts. The certificates to the passed trainees were distributed by Sri Gajjanan Joshi, M.L.A. at a function held at Wankaner on July, 15, 1956. Arrangements are being made to organise a 3 day Training Course for members of Co-operative Societies, and a 7 day Training Course for Managing Committee members in Wankaner Taluk. The total expenditure for the Pilot Project Scheme from April 25, 1956 to July 15, 1956 was Rs. 5,913-9-9. The Institute has received only Rs. 2,000 from the All India Co-operative Union. The Institute has addressed the All India Co-operative Union for adequate funds to carry out the Pilot Project Scheme, without any set back.

THE MANIPUR STATE CO-OPERATIVE BANK

Sri S. Krishnamohan Singh, Adviser on Co-operation, Manipur State inaugurated the Manipur State Co-operative Bank on the 24th June, 1956. It is the Apex Bank for Manipur. It will serve the credit needs of agriculturists. The Manipur State Plan envisages the organisation of 25 largesized societies, 11 large marketing societies and one Central Marketing Society. The Apex Co-operative Bank will, thus, strengthen and consolidate the Co-operative movement. The Bank will provide agricultural finance; it will do commercial banking; it will finance marketing operations. All Co-operative Societies are eligible for membership; even individuals not exceeding 200 shall be admitted as members. The Reserve Bank of India has agreed to contribute Rs. 5 lakhs towards the share capital of the Bank. throught the State Government. The Bank will obtain credit from the Reserve Bank of India at concessional rates on the guarantee of the State. Its lending rate will not exceed 6¼ per cent. The Bank will get a staff subsidy of Rs. 14,250 to meet the initial costs of establishment. The Bank will be under the Board of Directors, numbering 9, of which 4 shall be officials and 5 non-officials. The State will participate in the share capital of the Bank.

THE FIRST ANNUAL REPORT OF ACHARAPAKKAM CO-OPERATIVE RURAL BANK, LTD.

Acharapakkam Co-operative Rural Bank, Ltd. is one of the 26 Banks started in our State to provide credit and banking facilities to the rural folk. The Bank has presented its first annual report. As on 30th June, 1956, there were 374-A class members and 44-B class members, and a paid up share capital of Rs. 30,274. The Bank had deposits valued at Rs. 2,75,871 and the outstandings at the end of the year were Rs. 145,496. In order to encourage savings, a Recurring Deposit Scheme has been started. There are 68 members in the scheme, who pay Rs. 965 each month. The Recurring Deposit yields 4½ per cent. The Bank has issued produce loans or pledge loans jewel loans, deposit loans, Mortgage loans and has issued 467 loans for Rs. 2,49,270, of which 281 loans, amounting to Rs. 1,57,111 were outstanding as on 30th June 1956. It is understood that due to the operations of the Bank, the rate of interest of private financing agencies has been brought down for 37½ per cent and 24 per cent to 9 per cent. The Bank has taken up commercial banking activities like collection of cheques, issuance of cheques and drafts on a restricted scale. Under this head, the transactions were Rs. 103,347 and the Bank earned a commission Rs. 194. The Bank earned a gross profit of Rs. 7,494-10-0 and a net profit of Rs. 1,852-4-0. The Government have given a grant of Rs. 1,252 towards the cost of establishment, besides sparing the services a Senior Inspector free of cost. The Bank has been placed in 'A' Class.

THE ACHIEVEMENTS OF THE TINNEVELLY DISTRICT CO-OPERATIVE CENTRAL BANK LTD.

TINNEVELLY DISTRICT CO-OPERATIVE CENTRAL BANK, LTD., LOAN DEMAND, COLLECTION AND BALANCE FOR 13 YEARS ENDED 30TH JUNE, 1956.

A statement showing the loan Demand, Collection and Balance for the past 13 years ended 30th June, 1956 with the loan amounts year-wise disbursed and also the dates of clearance of demand in each year is enclosed. The particulars furnished relate to the Rural Credit Societies. It is needless for us to mention that our Bank has been showing NIL balance successively for the past 13 years. A Copy of the Registrar's D. Os. No. Rc. 13315/56-A dated 3rd June 1956 and 12-6-56 are published herewith.

REGISTRAR'S D. O. I

Office of the Registrar of
Co-operative Societies, Chepauk, Madras-5

D.O.R.C. 13315/56-A. Dated 3—6—1956.

Dear Sir,

SUB :—Tinnevelly District Co-operative Central Bank, Ltd.,—Collection of entire overdues—congratulated.

REF :—Your Telegram Dated 31-5-56.

I congratulate you and the Tinnevelly District Co-operative Central Bank for having collected the entire demand under principal and interest well in advance of the other Central Banks in the State, this year also.

With regards,

Yours sincerely,

(Sd.) A. PALANIAPPAN.
5—6—56.

Sri Medai Dalavai T. Kumaraswami Mudaliar, President, Tinnevelly District Co-operative Central Bank, TINNEVELLY.

(True Copy)

REGISTRAR'S D. O. II

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

D.O. No. 13315/56-A-1 Dated : 12—6—1956.

Dear Mr. Mudaliar,

I am delighted to hear that your bank kept the record of collections this year also. My warmest congratulations to you and the bank for the achievement.

Yours sincerely,
(Sd.) A. PALANIAPPAN,
13—6—56.
Registrar.

Sri Medai Dalavai T. Kumaraswamy Mudaliar, President, The Tinnevelly District Co-operative Central Bank, Ltd., Tinnevelly.

(True Copy)

THE TINNEVELLY DISTRICT CO-OPERATIVE CENTRAL BANK, Ltd.,

Loan Demand, Collection and Balance for the period of 13 years from 1943-1944 to 1955-56.

Serial No.	Year.	Loans disbursed to Rural credit societies.	PRINCIPAL.		Balance under Principal	INTEREST.		Balance under Interest.	Last date of Bank dues clearance.
			Demand	Collection.		Demand.	Collection.		
1	1943—44	5,37,742	5,14,036	5,14,036	Nil	83,779	83,779	Nil	30.6.44
2	1944—45	5,52,247	5,07,101	5,07,101	"	96,309	96,309	"	28.6.45
3	1945—46	5.80,200	4,88,341	4,88,341	"	61,266	61,266	"	10.6.46
4	1946—47	5,52,247	5,56,338	5,56,338	"	1,53,563	1,53,563	"	11.6.47
5	1947—48	9,24,706	9,16,614	9,16,614	"	1,74,081	1,74,081	"	18.6.48
6	1948—49	12,52,324	6,70,824	6,70,824	"	1,94,682	1,94,682	"	15.6.49
7	1949—50	20,71,928	14,04,674	14,04,674	"	2,01,425	2,01,425	"	14 6 50
8	1950—51	18,66,452	15,14,969	15,14,969	"	1,74,370	1,74,370	"	2 6 51
9	1951—52	23,08,178	17,91,879	17,91,879	"	1,71,251	1,71,251	"	4.6.52
10	1952—53	32,29,169	19,78 690	19.78,690	"	1,57,667	1,57,667	"	5.6.53
11	1953—54	20,63,557	27,13,019	27,13,019	"	1,49 066	1,49,066	"	29.6.54
12	1954—55	34,75,347	19,08,287	19 08,287	"	1,59,325	1,59,325	"	2 6,55
13	1955—56	39,87,020	28,77,233	28,77,233	"	1,39,545	1,39,545	"	30.5.56

Edited and Published by Dr. P. Natesan, M.B., B.S., at M. S. C. Bank Buildings, Esplanade, Madras. Printed by Sri G. Subramaniam. L. P. T., Secretary, at the Central Co-operative Printing Works, Ltd., 1/17, Mount Road Madras -1490 8-56.