The Madras Journal of Co-operation

THE MADRAS STATE CO-OPERATIVE UNION

EACH FOR ALL & ALL FOR EACH

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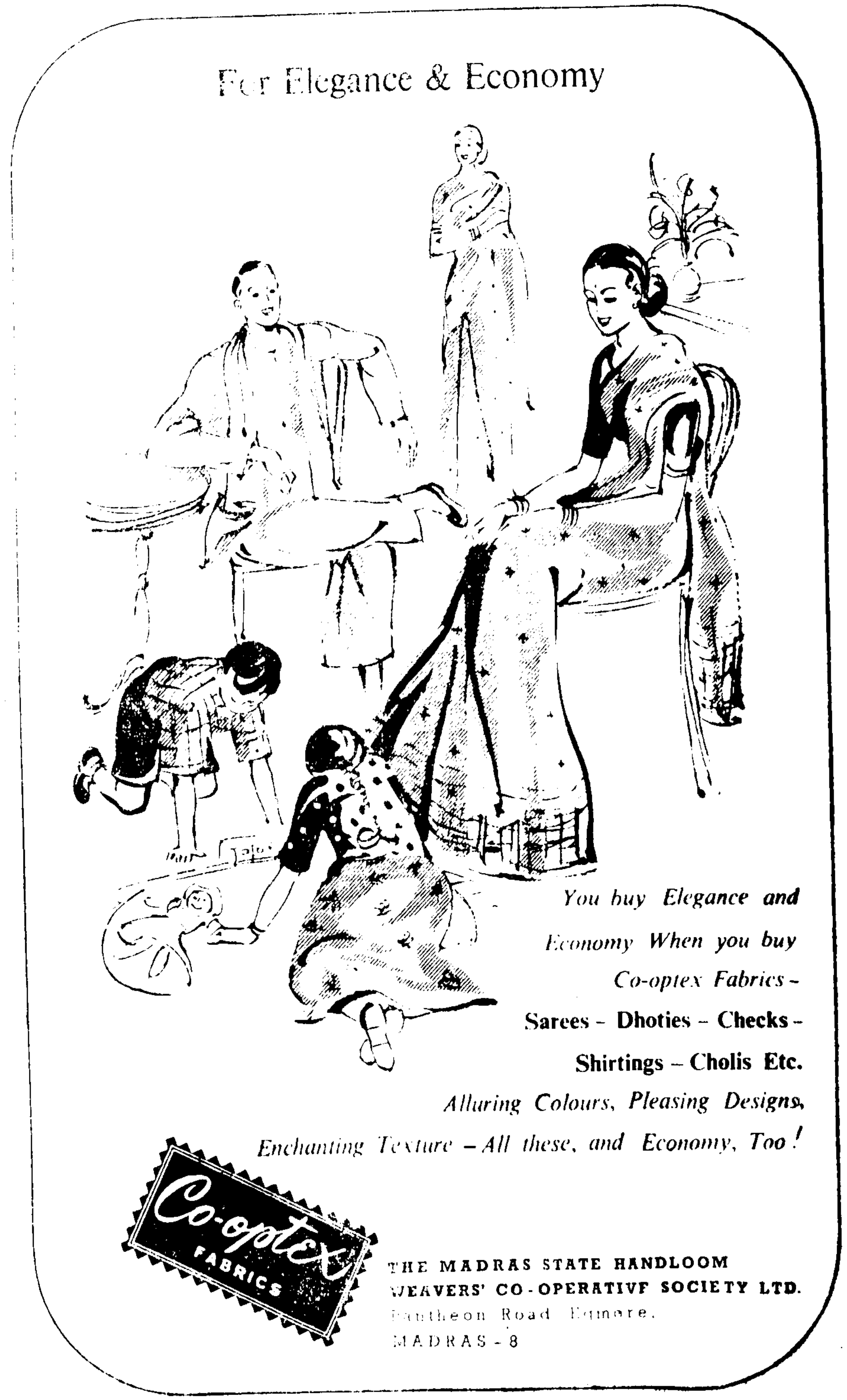

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Thought for the Month

A BEAM OF HOPE

A movement may for a time maintain the machinery of democracy, without awakening the impulses which make it function. It is the duty of the co-operative educationist so to inform and equip co-operators that those impulses are aroused and disciplined to serve useful social ends. The co-operative politician has a cause to defend and a faith to apply to public affairs. Co-operative business cannot be sustained by trade alone, nor by tradition alone. It demands the support of a membership, whose loyalty grows out of awareness of its purpose; it requires the leadership of men and women who see in it the outward sign of an inward and invisible faith. That was the inspiration of the brave and humble men who from the light of a candle at Toad Lane, Rochdale, sent a beam of hope across the world.

—JACK BAILEY:
"The British Co-operative Movement"

Editorial Notes

SCHEME FOR THE TRAINING OF NON-OFFICIAL PERSONNEL OF THE CO-OPERATIVE MOVEMENT

Time and again, it has been reiterated in these columns that the only way to strengthen and broad-base the Co-operative Movement as a real People's Movement is to launch upon a comprehensive scheme of member-training. It is a task beyond the limits of propaganda. It is the regular job of fundamental education in the principles and practice of co-operation, a gigantic effort to draw out the latent powers of leadership and constructive organizational acumen of the masses and, indeed, one of the most effective and enduring programmes of nation building. The problem of educating nearly 160 lakhs of members of the 2 lakhs and odd societies, belonging to different strata of social, educational and economic status is by no means small. It is at once colossal and baffling and bristles with innumerable difficulties.

The Movement has had an history of more than five decades. The First and Second Five Year Plans have recognised the value of Co-operation as an indispensable instrument of Planning and have given an ever increasing emphasis to the development of co-operative activities in several important fields like credit, marketing, dairying, weaving, farming etc. Co-operation has, thus, become the corner stone of democratic planning. It has, therefore, become essential to the very success of the Plan that Co-operation should succeed. In this context, the implementation of a vigorous and comprehensive scheme of training the non-official personnel of the Co-operative Movement gains an added importance. Its urgency is equally patent.

The All India Co-operative Union has taken timely action. They have framed a workable scheme for the organisation of Co-operative Education for the non-officials of the Co-operative Movement and we are extremely glad to note that the Government of India, Ministry of Agriculture, New Delhi, have come forward to give financial assistance to implement the scheme. It is one of the best forms of Government assistance: it also comes in at a very opportune moment, when the need for developing multifarious types of co-operatives along right lines has become imminent. The All India Co-operative Union has fixed up targets for achievement both during the first year and by the end of the Second Plan Period. The Scheme, drafted by the All India Co operative Union, contemplates the training of 2,000 office-bearers, 10,000 panchayatdars and 50,000 members during the first year of the Second Plan and the

Union has requested the Government of India to sanction a grant-in-aid of Rs. 10,06,700 for the year 1956-57. The scheme is a pivotal one and we have no doubt that the Government of India would come forward to finance this eminently laudable scheme in its entirety.

The All India Co-operative Union has addressed the Madras State Co-operative Union to co-operate with them to work out the Scheme. Accordingly, thanks to the Registrar, we have secured the services of a Co-operative Sub-Registrar and two Senior Inspector Instructors on F. R. 127 basis for a period of three months and have already deputed the two instructors for training at Delhi. The Government of India, through the Government of Madras have placed at the disposal of the Union a sum of Rs. 2,460 for meeting the expenses of the special staff for a period of three months ending 31-3-'57.

We have been informed by the All India Co-operative Union that for the year 1957 58, the Government of India would give a larger measure of financial assistance to work out the scheme in a more effective and vigorous manner. Besides meeting the full costs of the staff, the Government of India would provide the Madras State Co-operative Union with a propaganda van and films and other audio visual aids. There is also provision for a subsidy for the preparation of study materials and other publications. We thank the Government of India for their readiness in implementing the scheme.

This is not the first time, that we are going out into the field of member-training. During the period 1937-46, the Madras State Co-operative Union had the rare privilege of working out the Panchayatdars Training Scheme, thanks to the financial help from the Government of India. But the scheme was not planned properly; neither the finances were copious nor the techniques effective and faultless. But it gave the Union an invaluable experience. With the experience gained, the Madras State Co.operative Union had very recently submitted a comprehensive scheme to the Registrar of Co-operative Societies, Madras, which had been further revised by him and included in the Second Five Year Plan Schemes for the Madras State. The scheme is pending sanction with the Government of Madras. Meanwhile, thanks to the generous help from the Government of India, we are now in a very happy position to start work on this very interesting experiment of member education.

There are certain pre-conditions, which are necessary for working out the Panchayatdar Training Scheme in a very successful manner :—

(1) The Pilot Schemes should be worked in areas, where a favourable climate for co-operative work has already been created.

(2) The staff, who are engaged should not only be versed in the techniques of fundamental education, but they should also be imbued with a spirit of co-operative philosophy. The staff should be put on a permanent footing.

(3) The courses of study should not be longish : on no account, they should exceed two to three weeks. The method of instruction should not be pedagogic; it should be demonstrative and informal and should make abundant use of audio-visual aids. The courses should be timed properly to suit the off-periods in agriculture and should be flexible enough to suit local conditions. The Government should give adequate financial help to the organisations working out the scheme, so as to enable them to attract the participants with suitable monetary remuneration.

(4) It should be the main objective of the scheme not only to familiarise the members with the principles and techniques of co-operation but also develop local leadership and build up a sturdy economic citizenry,

(5) The courses of instruction should not be isolated events but should be a continuous process. Follow up work should be planned for and undertaken both before and after the training. The technique of study-circles should be dove-tailed into the scheme to ensure continuity.

(6) The services of the Development staff and Extension agencies should be integrated ank availed of.

(7) The District Co-operative Central Bank should be the pivot of the entire scheme in the districts. Other District Organisations like District Marketing and Supply Societies should also be associated in an *ad-hoc* Committee at the District Level.

Bearing in mind the above conditions, necessary to the successful implementation of the scheme, the Madras State Co-operative Union has already taken the initial steps.

Let us hope that the scheme, when worked in full swing, with the willing co-operation of Dist. Co-operative Institutions and the All India Co-operative Union and the timely and copious financial assistance from the Government of India and Madras may be the harbinger of a new and resurgent Co-operative Movement in our land.

The Madras State Co-operative Union Examination, June 1957.

An examination for the students of the Coimbatore, Tanjore, Malabar and Madura Institutes will be held at the respective Institute's head-quarters from 22nd to 28th June 1957 as per programme given below.

Saturday	22-6-1957	10 a.m. to 1 p.m.	Co-operation—Historical, General & Principles.
Monday	24-6-1957	do	Co-operative Law.
Tuesday	25-6-1957	do	Audit.
Wednesday	26-6-1957	do	Book-keeping.
Thursday	27-6-1957	do	Banking.
Friday	28-6-1957	do	Rural Economics.

Candidates who failed in the previous State Co-operative Union Examinations held during 1942 to 1956 are hereby informed that they can also sit for the above examination.

Candidates who underwent training in the Institutes prior to 1941 have to appear and pass Part III of the examination under the new regulations for eligibility for a certificate.

In view of the subject ' Banking ' having been included under Part III from 1945, candidates who have passed Part II in previous years need not appear for "Banking" under Part III this year. It will suffice if they sit for Rural Economics, Sanitation, Village Panchayats etc., only.

The examination in theory comprises of three parts :—

1.	Co-operation—Historical, General and Principles	Part I.
2.	Co-operative Law	
3.	Audit	Part II.
4.	Book-keeping	
5.	Banking	Part III.
6.	Rural Economics, Sanitation, Village Panchayats	

Candidates who have failed in any one of the subjects of any part have to sit for the subjects comprising that Part or Parts.

The examination fee is Rs. 11 for the whole Examination for students undergoing training in the Institutes for whom the marks obtained by them in the examination will be supplied through the Institutes. However, this rule does not apply to supplementary candidates from whom the fee of Rs. 2 for furnishing marks will stand. The examination fee is Rs. 4 for each Part.

The last date for receiving the examination fees together with the application in the prescribed form is 30—5—1957. Fees must be remitted only by money order. Applications and money order received after the said date are liable for rejection, and no complaint in this behalf will be attended to.

For further particulars please apply to :

The General Secretary,

The Madras State Co-operative Union
379, Netaji Road, Madras-1.

The Role of Co-operation in Social Advance*

G. D. H. COLE,

Chichele Professor of Social and Political Theory
at Oxford University since 1944; Author of
"A Century of Co-operation" and many other works.

The co-operative movement, in its long history of development in many countries, has shown itself remarkably adaptable to a wide variety of social and economic conditions.

In Britain, ever since the foundation of the Rochdale Pioneers' Society in 1844, it has developed mainly as a movement of consumers for the collective sale and production of everyday household supplies —above all of foodstuffs,but with a growing tendency to invade other forms of retail and wholesale trading and of manufacture in establishments collectively owned and managed by consumers' societies.

Adaptable to Local Conditions

It has developed in largely similar ways in a number of other Western countries—for example, in Scandivavia, in Germany, and in Switzerland. On the other hand, in many of the less developed countries it has taken root in the first instance mainly as a means for the supply of credit to small farmers or other small-scale producers; and in certain advanced agricultural areas, such as the prairie provinces of Canada, it has grown up chiefly as a producers' movement among farmers, large and small, for the collective purchase of farm requisites, such as seeds and machinery.

In yet other countries, industrial co operation among producers has played an important part, through productive societies largely owned by the workers employed—for example, in France and Italy and also, on a smaller scale in Britain. In the United States one of the most successful co-operative ventures has been in the sale of petrol, chiefly to farmers, and there have also been interesting adventures in co-operative credit to university students and in co-operative home-making.

Wide Diversity

In almost every country, some form of co-operative enterprise seems to be adaptable to the local conditions. In recent years some of the most interesting developments in many other branches of co-operation have occurred in colonial areas—for example, in West

*Source: News release dated 21-1-57 of the British Information Services, Madras-1.

Africa and in Malaya, including both consumers' societies for collective supply and producers' societies for marketing of rural products.

This almost unlimited adaptability of the co-operative method indicates the enormous scope that is open for its further development, especially in the countries that are economically less advanced. Forms of agricultural development range from the complete co-operative socialisation that exists in some, but not by any means all, of the kibbutsim in Israel to single-purpose marketing societies for particular products among farmers, who cultivate their land or breed stock as individual enterpreneurs, as in Denmark or Canada.

Given this wide diversity both of methods and of social composition, it is not always easy to see what binds all the varying groups of co-operatives together into a common movement; for there are obviously great differences between bodies of consumers, who are banded together in order to secure supplies of unadulterated goods at fair prices on a non-profit basis and societies of farmers or industrial producers who are seeking to market their products, whether individually or co operatively produced, on favourable terms. There are, however, certain principles which all co-operative societies that can claim to belong to the great international co-operative movement are required to accept as the basis of their work.

Democratic Basis

First and foremost among these principles is the democratic basis of membership, which assures to each member an equal voting right regardless of the amount of capital he has invested in his society or of the amount of his transaction with it. This sharply marks off co-operative from all forms of capitalist enterprise; for in capitalist companies voting is weighted by the amount of risk-bearing capital held by the investor, and a few wealthy shareholders can outvote a large majority of small investors, so that the latter usually have no effective control at all.

Secondly, all real co-operative societies work on the basis of a limited return on invested capital, in the form of fixed interest and not of a variable dividend on capital depending on the amount of profit or surplus. This interest cannot, indeed, be fixed absolutely for all time: it has to be varied in accordance with the rates of interest prevailing for other forms of borrowed money in the country in question, but is kept as low as the condition allow. Thirdly, wherever possible co-operative societies work on a basis of open

membership, which means that any one who wishes can join a society on an equal footing with the existing members.

This principle can be fully applied to the consumers' societies which dominate the Movement in Western Europe; it cannot be applied in the same way to the producers' societies, which must limit their working numbers to the members that are in a position to employ with the capital resources they possess and with the markets open to them. But here too the principles of equal membership and democratic control are applicable, and mark co-operative sharply off from capitalist enterprise.

Relations with State

In most countries it is a matter of pride to co operators to keep their movement fully independent of control by the State or by any outside body. But this is not always possible. In the totalitarian countries, the co-operative movement is inevitably subjected to different forms of State control which co-operators in advanced Western countries would decisively reject; and in the less developed countries it is often necessary for the State to maintain some control, especially over the provisions of credit through central agencies for co operative banking—whereas in the more advanced countries the co-operative movement usually develops its own banking arrangements independently both of the State and of the capitalist banks.

Despite these differences it is a remarkable fact that, whereas both the trade unions and the labour and socialist parties have become divided into rival Communist and non Communist Internationals, the International Co-operative Alliance has continued to include the co-operative movements of the Soviet Union as well as of the Western countries—though not without a good deal of friction arising out of differences of view concerning the proper relations between the co-operative societies and the State.

Current Trends

In Britain and in other Western countries, the predominant consumers' co-operative movement continues steadily to add to its membership and to increase the volume of its trade, but is subject to increasing challenge from private traders, and especially from large capitalist multiple concerns. Rising standars of living in many of these countries have been greatly altering the typical patterns of consumers' expenditure and have been reducing the proportion of total income spent on goods and services, which the co-operative societies have equipped themselves to supply : so that, despite rising membership, a smaller percentage of members' total incomes has been spent at the co-operative stores.

It has also become less easy to raise co-operative capital as more alternative openings for the investment of small savings have become available—especially in loans to the State or other public bodies. This has slowed down the rate of expansion, especially of productive enterprises under co-operative control ; and a good many friends of co-operation are wondering whether it may not become necessary, as the range of social enterprise grows wider, for Governments, as an alternative to nationalisation, to give aid to the co-operative movements to expand their activities into new fields of production and service. In general, however, co-operators are reluctant to contemplate anything that would involve any sort of State control over their movement and tend to prefer a slower rate of expansion that can be financed out of their own resources.

Dividend of Purchases

In Britain, one effect of the keener competition of private with co-operative trade has been a tendency for the rate of " dividend on purchases "—a characteristic co-operative device since Rochdale days –to fall off, so that the average rate of dividend is now not much above one shilling in the £1. In the past, the Co-operative dividend has been of great help to the housewife in meeting expenses that arise, not day by day, but at longer intervals. It still is so, but no longer to the same extent as when most wage-earnings left no margin above bare subsistence ; and the fall in " dividends " is not altogether a bad thing when it is used for maintaining reserves at a level adequate to cover current and prospective needs for capital replacement.

The " dividend ", however important it has been in attracting and holding members, has always been a matter of expediency rather than of co operative principle. Some societies, though few in Britain, have never used this device, and have preferred to devote their surpluses to the provision of collective services, especially in countries in which the public social services are inadequate, or even almost non-existent. Whether " dividend " on purchases should or should not be paid depends on the social environment in which each particular movement is operating. It is an error to regard it as a matter of essential principle.

Political Activities

Finally, there is the question of co-operative participation in or abstention from, political activities. Abstention has sometimes been regarded as a matter of principle, whereas in other cases—for example, in Belgium—co-operative societies have grown up in close alliance both with the trade unions and with the labour or socialist parties. In Britain, the co-operative societies for a long time held aloof from politics, until, in 1917, they formed a Co operative Party of their own—a party which has since worked in close alliance with the Labour Party, but has not in fact prevented the co-operative societies from enrolling members of widely differing political views.

Whether the co-operative movement should or should not enter politics surely depends on the situation it has to face in each country at any particular time. The very successful Swedish movement is non-political : the no less successful British movement has been in politics for nearly 40 years with no adverse effects on its trading activities. There is room in the world for many kinds of Co-operation and for many different policies corresponding to varying local needs. What seems certain is that over the world as a whole, a period of great co-operative expansion lies ahead of us, and that the movement can, above all, make a great contribution to raising standards of living and of productivity in the less developed countries in which it has been spreading fast in recent years.

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Co-operative Farming in India

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Any study of the scope and significance of co-operative farming in India should be made in the background of the Indian rural scene. Being predominantly agricultural, poverty in the central fact of our rural economy, prevalence of large numbers of small uneconomic holdings, low productivity, pressure of population on land, primitive methods of production, poor soils, subdivision and fragmentation, in secure tenure and exorbitant rentals, agricultural indebtedness, lack of irrigational facilities and the consequent dependence on uncertain climates, low vitality and high mortality of livestock, ignorance and illiteracy of the cultivator and unstable agricultural prices characterise Indian agriculture.

With the dawn of political independence, India is on the onward march to her cherished goal of economic freedom through a series of successive Five Year Plans. The socialist pattern of society has been accepted as the objective of her economic policy. She is wedded to a democratic way of life. Land reform programmes, which are in the process of implementation in all parts of the country, are considered as parts of an integrated approach to national planning for prosperity. The abolition of the zamindari system was only the first essential and inevitable step in the right direction. With the disappearance of the intermediaries, the multiplicity of land tenures has been greatly reduced. Our energies are directed at present towards the creation of the ideal of peasant proprietorship of evolving a fairly uniform pattern of ownership based on the ryotwari system of tenure.

Co-operative farming in India has been advocated to provide a fair deal to the weaker and under-privileged sections of the rural community in raising their living standards and to work out a co-operative system of land management in which the entire land and other resources of the village will be so managed and developed as to increase and diversify agricultural production. The objectives of co-operative farming vary from country to country according to their particular needs and conditions, *e.g.* development of fallow lands, rehabilitation ol unemployed persons, economy in the use of machinery and grouping of small farms to obtain the benefits of

large-scale farming. Co-operative farming on a planned basis is a concept of recent origin, though the co-operative idea is as old as the hills. It was only during the Second World War, the necessity for more extensive cultivation by reclaiming new lands to grow more food was seriously felt. The problem of settling ex-servicemen as part of the post-war programmes of the Government and the rehabilitation of refugees consequent on the partition of India, brought into prominence the need for the introduction of co-operative farming in all the States.

A survey of the existing land tenure systems of all the countries of the world will clearly reveal that peasant proprietorship is an accepted ideal in almost all the countries except Great Britain and Soviet Russia. While England stands out as a country of large-scale capitalist farming, Russia has resorted to socialisation ot land and collectivisation of farms. Large-scale farming in Great Britain is a product of economic forces during the industrial revolution of the 18th and 19th centuries. The emergence of capitalist farming was due to the pioneering effort of an enlightened class of landlords like Jethro Tull, Arthur Young and Turnip Townsend to reorganise British Agriculture. India is yet to produce an Arthur Young, a Jethro Tull or a Turnip Townsend. The concept of collective farming is completely ruled out for all practical purposes in a country like India, since it is based on the suppression of the human element which is the most fundamental one in farming. It abolishes the economic independence and social prestige of the farmers. Man for production and not production for man is the underlying ideology of the Soviet Collective Farm. But it is contrary to the genius and tradltions of our country and it will only result in a violent disturbance and upsetting of the rural economy.

In a democratic country like India, the only alternative to large scale farming or collective farms is the system of co-operative farming. Charles Guide, after making a study of the co-operative collective experiments of the world came to the conclusion that such undertakings have succeeded most and have survived longest amongst the intelligent, educated and self-sacrificing people and religious orders rather than with the ill-educated landless labourers thristing for new lands to settle upon.

Certain broad facts emerge out of a careful analysis of the Indian agrarian structure. Farming in India is not a business or a paying proposition but a tradition and a way of life. The peasant takes to the ploughing, sowing and harvesting operations with an almost religious fervour. Cultivation symbolises the immemorial art on which the country's life depends and of the strong, almost sacred ties which bind the men and the women to the land. The Indian farmer though illiterate, is a man of commonsense. He is highly individualistic and has a sentimental attachment towards his land. To own a field or to acquire one is his aspiration and cherished ambition in life. He is conservative in outlook, but shrewd and intelligent. He is suspicious of innovations and inventions due to ignorance. There are social stratifications in a village society based on land ownerships and caste. Ownership and cultivation of land determine the economic and social relationship within rural society.

A co-operative farming society is characterised by (1) voluntary membership (2) democratic procedure (3) moral welfare of its members (4) pooling of resources and joint management and (5) mutual assistance among themselves. The conditions for making co-operative farming a success in India are many. Members of a co-operative farming society should be *bona fide* agriculturists and of equal status. They should form part of a homogenous group with identity of interests. Hormonious and cardial relations should prevail among themselves. They should understand and appreciate the value and significance of the co-operative method. Sincerity, capacity for hard work and spirit of co-operation are the essential traits of character which are expected from the members. Training in co-operative methods of living such as joint acquisition of implements, joint acquisition of seeds and joint disposal of produce etc., should be given to the members. The success of a co-operative farming society to a very large extent depends upon the human factor-the moral integrity and ability to lead the men behind it. The traditional habits and customs, ideals and attitudes of the members should be changed through propaganda, publicity and education. Stabilisation of agricultural prices is a fundamental requisite to the development of co-operative farming. The State should play a major part in advancing credit facilities to the co-operative farming societies and in providing civic amenities to the members of the society in the initial stages. Consolidation of uneconomic holdings should be effected prior to the starting of a co-operative farming society. The Government should step in to assist the society by way of technical assistance of personnel in farm operations, marketing, preparation of production programmes etc and supply of improved seeds and fertilizers. An increase in total production and net income should

be assured to the members. Absence of village squabbles and caste and community differences will go a long way to promote co-operative farming. Steps should be taken to prevent crop failures and to ensure a definite and substantial increase in production because the loyalty of the members to the society ultimately depends upon greater yields. Subsidiary industries should be organised to help the members of the co-operative farming society to supplement their farm income. When all is said and done, the role of the State and wise leadership in promoting the ideal of better business, better farming and better living cannot be over emphasized.

Most of the conditions cited above are totally absent in India. The Congress Agrarian Reforms Committee (1950) presided over by Mr. J. C. Kumarappa has enumerated many handicaps in the way of co-operative farming shch as (a) caste and community differences (b) squabbles in village life (c) unequal status of men (d) inability of most people to work under strict discipline due to weak health and friction (e) difficulty in getting the right type of men to manage and guide and (f) red-tape and delays in administration. A notable experiment was conducted by the Uttar Pradesh Government in the colonization of the newly reclaimed lands known as the Ganga Khadir scheme comprising an area of 47,000 acres. Joint farming turned out to be a failure there because of frequent disputes about one individual working harder and the other avoiding work and much of heart-burning amongst the people due to inequitable distribution of the harvest produce.

The experience of foreign countries in the direction of co-operative farming affords two useful lessons to India. A classic example of successful co.operative farming in the world is provided by the Palestine farms. The Palestine experiment is considered as "a romance of co operation" and as "the most exciting experiment in the world". The Hutterites and the F. S. A. co-operative farms of the United States of America have amply demonstrated the virtues of co-operative action in the field of farming. In these farms characterised by the complete absence of individualism, effort is common and there is a national division of labour and common sharing of the produce. Particularly in the Hutterite farm, which is the highest form of co operative action children and sick are looked after by the community and services are also common. Swiss co-operation, like Danish and unlike the Irish, is the unaided democratic achievement of the peasants themselves. In fact, Swiss agriculture is saturated with co-operation, whereas Irish farmer has to be coaxed into co-operation. Danish co-operation presents the picture of a robust democracy. The soil is cultivated on an individualistic basis, Co-operation entering only before and after the actual process of cultivation.

Co-operative farming is not making much progress in India. The achievements in this direction are very meagre. The Indian farmer's traditional objection to association and his hard dying superstitions, his thirst for land and his acquisitive instinct necessitate a cautious approch to the problem. In recent years, the Bhoodan movement of Acharya Vinoba Bhave has given a new fillip to co-operative farming Nobody can deny the moral grandeur of this social experiment. But the mere distribution of donated lands to the landless cultivator is not enough; because he does not possess the means to cultivate the land as a source of wealth both to himself as well as the community. Hence the distribution of lands to the actual tillers of the soil who happen to be landless should be made conditional upon their forming themselves in to a co-operative farming society under local leadership for their mutual benefit. In a country like India, the scope of co-operative farming, at the present juncture, should be considered only in terms of rehabilitating landless labourers.

Peasant proprietorship is the rule in India today. To quote Miss. Margaret Digby, "Running a farm like a factory, with fixed hours of work and management, which may be democratically chosen, but which bears little responsibility to the worker, does not produce the attention to detail or constant application of intelligence and the resulting high standard of achievement which is seen in the family farm at its best." Moreover, co operative farming creates fresh problems like provision of incentives for better and larger quantum of work, work management, human relations between the managers and members, organisation of bureaucratism and individual indiscipline and non-co-operation, work-sabotage, managerial corruption, inefficiency and cost of supervision and management. On the other hand, peasant farming is free from all these evils and saves the State from the responsibility of finding and organising employment to all the members of co-operative farming society and providing social security measures to them. Hence the scope for the development of co-operative farming in India is limited. In the first instance, the State should start demonstration farms by settling landless labourers on newly reclaimed lands and prove to the cultivators the advantages of co-operative farming.

Dr. Otto Schiller, Professor of Agricultural Economics in Stuttgart University, Germany and a specialist in Agricultural Co-operation has advocated individual farming on co-operative lines to suit Indian conditions. His system combines in itself the advantages of large-scale co-operative farming together with the benefits of individual ownership without violently disturbing the rural social set-up. It approximates more or less to the type of co-operative better farming society. As Dr. Schiller says, "all functions which cannot be executed in the limited boundaries of a single small farm or are beyond the capacity of the small holder, such as planning including field arrangement and cropping scheme, the financing of investments, the keeping of large sized equipment, the wholesale supply and marketing etc., should be turned over to the co-operative society for improved individual farming. All other functions of farm management which can properly be executed within the boundaries of a single small farm should remain with the independent individual." Under this scheme, pooling of lands is not necessary, in order to preserve incentive for those people whose attachment to private ownership or occupancy in land is strong. Co-operation plays a subsidiary part to make individual farming a profitable occupation. Unlike co-operative farming, it is neither a complicated undertaking nor a costly experiment. The evil of fragmentation becomes ineffictive and mechanisation of agriculture is made possible to the desirable extent. It affords an opportunity to train the members in methods of modern agriculture and better farming practices. A comprehensive range of co-operative services-supply, marketing, processing, warehousing, stock breeding and the use of machinery—is ensured thereby leading to an increase in agricultural production and a decrease in the cost of cultivation.

The secret of success in the development of co-operative farming is gradualness. The transformation of the rural economy to a new social and economic order should be a smooth and gradual process if co-operation is to rest on the two pillars of Socialism and Democracy in the context of the economic development of the country. A realistic assessment of the Indian experiment by any impartial observer interested in the country's welfare would only lead him to the conclusion that the stage has not been set and the time is not yet ripe for any large scale attempt at the introduction of co-operative farming which involves far reaching changes of economic value and social significance.

The Gadag Co-op. Cotton Sale Society, Ltd., Gadag

SRI M. A. VICTOR, B.A.,
Co-operative Sub-Registrar, Madras.

Thanks to the Registrar, six Co-operative Sub-Registrars were deputed for undergoing the pilot course in Co-operative Marketing conducted by the Co-operative Training College, Poona, under the auspices of the Reserve Bank of India, Bombay. The course consisted of two months theoretical training at Poona and two months practical training in different Co-operative Societies, regulated markets and other institutions in the States of Bombay, Hyderabad, Andhra, Mysore and Madras. We looked forward to our visit to the Gadag Co-operative Cotton Sale society Ltd., in Bombay State for it is not only one of the biggest marketing societies in our country but it was to this institution that Sri Venkatachari, then Deputy Registrar of Co-operative Societies, was deputed by the Madras Government in 1924–25, which resulted in the sale societies of our State being formed on its model.

The Gadag Co-operative Cotton Sale society came into existence in the year 1917, when Mr. Ewbank, I.C.S., was the Registrar of Bombay State. The society started with 191 members and with a share capital of Rs. 426. The early promoters had taken a lot of pains to get even these 191 members at the outset, for it is a fact that the cultivator is a very hard man to handle. He keeps counsel only with himself and is obstinately slow to yield to reason other than what is instilled in him by age-long custom and habit. New and advanced ideas and movements strike terror in him and his proverbal indebtedness hinders him most from reclaiming himself from his downward course. The relentless hold on him of the money lender is quite embarassing. It can then be seen how expressly difficult a task it is for the promoters of the Co-operative movement, especially for those who would like ro strive to bring the cultivator round to adopt the Co-operative method of sale for such a costly commodity as cotton.

The area of operation of the society is Gadag, Ron and Navalgund talukas including Mundargi and Nargund Pethas (Firkas) of the Dharwar District.

Persons residing within the area of operation of the society are eligible for membership. In the earlier days the by-laws of the

Society allowod non-agriculturists also as members of the society but their number was not to exceed one fourth of the total number of members. At present only agriculturists are eligible for membership. Persons who have business dealings with the society may also be admitted as "Nominal" members on the following conditions :—

1. A nominal member admitted by the Board shall not be required to hold shares but shall pay an admission fee of rupee one only which shall be non-refundable and shall be carried to the Reserve Fund.
2. A nominal member shall have no right to vote or to participate in the management of the society or in the distribution of profits or liabilities except the liabilities outstanding against him, as a borrower, surety or both, in the event of winding up.

The main objects of the society are (1) to arrnnge for the sale of the agricultural produce of its members as well as non-members, entrusted to the Society, to the best advantage of the agriculturists at the lowest possible cost on commission basis.

(2) to encourage members to grow pure and high class cotton and other agricultural produce and to market it in the best possible conditions.

(3) to procure and supply to the agriculturists pure seed, bardans (net like cotton containers) and other articles required by agriculturists.

The main features of the business of the society are the supply of pure seed to farmer-members and the sale of their cotton at the highest possible rates, after grading it with the help of the Cotton staff of the Agricultural Department. For some time past, the society has been distributing with the help of the Indian Central Cotton Committee, pure upland and Jayavant cotton seeds to cultivators in order to improve the strains of cotton grown in the area. Now improved strains of "Lakshmi" variety of cotton are most popular and found suited to the Gadag area. Jaidhar variety also is grown in some areas but its production is not controlled. Cultivation of "Lakshmi" cotton is regulated and controlled in what are called reserved areas according to a plan drawn up every year by the Cotton staff of the Agricultural Department under the provisions of the Cotton Control Act. According to the provisions

Act, agriculturists are required to grow the particular variety and stage of cotton as indicated by the Agricultural Department and subject to the control and supervision by the staff of the Department. These steps are intended to ensure the purity of cotton grown in the area and to prevent it from deterioration from admixture with other varieties.

Cotton seeds maintain their purity and characteristics till the sixth generation and crops from the sixth generation of seed onwards show a deterioration in quality and yield. Therefore, cultivation of the crop upto the sixth generation only is permitted. The first stage of cultivation is the farm stage done by the Agricultural Department. A few pounds of seeds will be produced. These will be sown over a few acres in the Agricultural farm itself and this is the second stage or the second generation of the crop. Cultivation of first and second generation crops are strictly under laboratory conditions, the aim being to get the best possible seed under existing conditions. In the third stage, more seeds will be available and will be given for cultivation to selected ryots in selected villages, who are expected to cultivate the crop under the farm conditions under the supervision of the outdoor staff of the Agricultural Department. The seed obtained from the third stage crop will be more in quantity and will be given for sowing in the entire extent of selected villages. This is the fourth stage and seed from the fourth stage crop will be given for cultivation in the remaining villages in the reserved area. This will be the fifth stage crop and seed from this crop will be given for general sixth stage cultivation in other areas. Cultivation of crop in the 3rd, 4th and 5th stages will be controlled and supervised and the crop is called reserved area crop. In some areas, the crop in the 6th stage also is supervised but this is only for the grading of cotton and the seed will not be utilised for sowing purposes but only as fodder for cattle. This process of evolving different stages goes on and thus cotton cultivation is regulated in Gadag area.

The Gadag Sale society has been given the monopoly of distribution of cotton seeds in the reserved areas at prices fixed by the Cotton Superintendent. The society opens nearly 30 to 40 depots in villages for the sale of cotton seed. Where there are suitable village credit societies and the societies are willing to undertake the work, the work of distribution of seed is entrusted to them and in other places the society has appointed its own staff to man the depots.

Before the cultivation season commences, the Agricultural Department prepares a plan for the year for the sowing of various

stages of seed in different areas and the society would have already procured from the previous year's crop the required quantities of seed of different stages and kept them in stock in the different depots. Distribution of seed is then made according to the plan of the Agricultural Department at the rate of 10 lbs of seed for each acre of cultivation in the various stages and lists are prepared of the seed distribution made, indicating the stage of seed distributed, the quantity, the extent of acreage expected to be sown, and the name of the farmer. These lists are prepared village-wise and copies of them are sent to the Cotton staff. With the aid of these lists, the staff of the Cotton Department viz., Cotton Inspectors, Cotton Supervisors, Maistries, Fieldmen etc. supervise the cultivation of the crop on the field and attend to roguing operations. They also advise the farmers about proper manuring etc. When the crop is fairly grown the original list is revised and finalised by the Cotton Staff with reference to the actual cultivation on the field and copies of the village-wise revised final lists will be sent by them to the Sale Society. While distributing seed, it is laid down as a condition that farmers should bring their kapas (unginned cotton) to the Gadag Cotton Sale society for sale. After the harvest is over, the society watches the receipt of kapas from farmers with reference to the crop cultivation lists supplied by the Agricultural Department.

Kapas arrive from the villages by bandies and lorries in docras. Each kapas docra weighs 4 Bengali maunds. The docras are weighed in the presence of the farmer by the staff of the Market Committee as a regulated market is functioning at Gadag. The cotton is pooled according to different stages and serially numbered. Weighment notes are prepared in triplicate indicating the name of the village from which the docras come, the stage of cultivation, the name of the owner, the serial number of each docra, the class of the bardan in which it is brought and the net weight of each docra. Nine pounds for the weight of the bardan and two pounds for shrinkage are allowed. A copy of the weighment note is sent to the Agricultural Produce Market Committee, a copy is given to the farmer and the third serves as an office copy to the Society. The stage to which a particular docra or docras brought by an agriculturist is first declared by him and this is later verified with the finalised cultivation list of the Agricultural Department and any mistakes of misstatements will be corrected and the docras shifted to the proper pool. Each docra in the different pools have written on them in bold black ink the stage of cultivation and serial number.

After this stage, the special staff under the supervision of the Cotton Inspector attend to the grading ol the cotton. Each docra is ripped open and the quality of kapas examined by eye-test in which colour, spread and maturity of cotton, presence of dirt, cleanliness, admixture of leaf etc. are the various factors taken into account. The results are noted in a Register docra-wise. There are generally 3 grades, A, B and C according to the eye test, with a letter "LL"s added if the percentage of leave is more. Then "ginning test" is made, after taking a sample. If the ginning percentage is over 37, it is called "special" and the others are graded I, II and III. The kapas thus graded will be put up for auction sale. An auction sale is held almost every fortnight and big lots of standard grades are put up for auction. Cotton of inferior quality is sold by private arrangement with buyers. The tendency of the market is closely watched and cultivators are kept duly informed with the ruling prices and are carefully advised when to sell their cotton. Unless the owners advice the Society to sell their cotton, the Society does not place it for auction. As cotton of superior quality in big lots, after proper grading and correct weighment is offered, it fetches a fairly good rate for the ryot. During 1954–55, the Society sold 34,824 docras of kapas and cotton to the value of Rs. 39,61.678-9-9. This was more than 75 per cent of the total produce that arrived in the market. The average price per naga (4 quarters) realised at these auction sales was seventy rupees more than the market price and the ryots who sold their produce through the Society were benefitted to the extent of at least Rs. 5 00,000.

The society supplies to the ryots bardans, plant-medicines, manures, etc. The society owns a lorry and it is used for bringing the produce of the owners to the Society.

Apart from these services, the Society lends a helping hand to charitable institutions such as Panjarpol, the Pupils Boarding House and the Co-operative Hospital at Hubli. For the sake of propaganda, annual and periodical contributions are also made to Taluka Development Associations, After-care Associations, Agricultural and Co-operative Shows. A Providend Fund is also maintained for the benefit of its staff.

A history of the society will be incomplete if nothing is mentioned about the year 1925. During that year the Commission

Agents unanimously declared a boycott against the Society. They thought that the Society aimed at undermining their business interests and so they resolved to crush it completely. Many buyers also joined hands with them and the society seemed to hang in the air for want of bidders at its auction sales. It was Mr. Birjibhoy Belgaumwalla, the representative of Messrs. Tata & Sons, who alone stood staunchly by the Society and purchased all the cotton at each of its auction sales. At this critical stage the loyalty of the members was put to real test. But many members stood by the Society at great personal loss. The Co-operative Officers also spent much of their time and energy in helping to tide over the difficult time. The misunderstanding was corrected and an amicable settlement arrived at, peace and goodwill was restored once again, which meant as it were giving the Society a fresh lease of life and prosperity.

The Society keenly watches the progress made by simliar societies in America and tries to adopt those systems so far as local conditions permit. The Society proposes to put up a pucca godown at a cost of Rs. 50,000. The management vests in a Board of Directors consisting of fifteen members elected once in three years.

The success of the Sale Society is in no small measure due to the ungrudging and sympathetic attitude of the Karnatak Central Co-operative Bank, Ltd , Dharwar, in fulfilling the monetary needs of the Society. Though the succecs and prosperity of a sale society mainly depends upon its efficient management and the active interest taken by its office-bearers, still, it is a fact not to be contradicted, that such progress cannot be achieved unless there is full co-operation between the Sale Society, Credit Societies and the Financing Society. Added to these, the full sympathy and co-operation of both the Co-operative and Agricultural Departments are essential. The Society has been progressing steadily as may be seen from the progress statement.

Proceedings of the Drive for Starting Large-Sized Credit Societies in the Madras State.

[Consequent on the recommendations of the All-India Rural Credit Survey Report, the Registrar of Co-operative Societies, Madras has drawn up a programme for starting agricultural banks and rural banks throughout the Madras State, the targets being 375 and 75 respectively for the Second Plan period 1956-61. The drive for starting large-sized societies has already gathered momentum and we have great pleasure in publishing the news relating to the inauguration of such large-sized societies in Madras—*Edr.*]

CHINGLEPUT DISTRICT

Uttiramerur Co-operative Agricultural Bank, Ltd,

Under the Scheme of Integrated Rural Credit and Marketing, sponsored by Government, two large-sized societies, one in each of the two taluks of Kancheepuram and Madurantakam comprising the Pilot Project in Chingleput District were formed.

Uttiramerur Village in Kancheepuram taluk was selected for the formation of an Agricultural Bank by reorganising the Uttiramerur Multipurpose Co-operative Society that was already working under unlimited liability basis, by enlarging its area of operations and adopting the model by-laws framed for a large sized society. Three credit societies that were already working in and around Uttiramerur viz., the Uttiramerur Vadapathy Credit Society, the Malliankaranai Credit Society and the Neeradi Credit Society, all within a radius of two miles from Uttiramerur were merged with the Central Society at Uttiramerur. As a result of the merger, of the three societies, the Uttiramerur, Co-operative Agricultural Bank was strengthened by admission of 182 members with a paid-up share capital of Rs. 5,112 loans outstanding against these members that were transferred to the expanded society amounted to Rs. 32,842.

2. The Uttiramerur Co-operative Agricultural Bank Ltd., was registered on 29-5-'56. It commenced work on 30-7-'56 with a new Board of Directors consisting of eleven persons in all nominated by the Registrar of Co-operative Societies, Madras, giving due representation to the villages covered by the societies that were merged and also for the representative of the Co-operative Central Bank by way of State participation.

The following particulars throw light on the development made by the Uttiramerur Co-operative Agricultural Bank for the quarter ended with 30-9-'56 (inclusive of 182 members transferred from the 3 adjoining societies, with a paid up share capital of Rs. 5,112 and their loans amounting to Rs. 32,842.)

Details		As on 30-6-'56. Rs.	Outstanding As on 30-9-'56 Rs.
1. Membership: A Class	...	731	1,007
B Class	...	392	423
2, Share Capital:			
(a) Authorised capital	...	50,000	50,000
(b) Paid up	...	19,343	28,528
3. Borrowings:			
(a) Deposits	...	1,97,425	2,10,163
(b) Loans from Central Bank.		35'192	42,877
4. Investments in Co-operative Central Bank:			
(a) Reserve Fund	...	33,352	34,621
(b) Shares	...	10,000	10,000
5. Loans due by members:			
Long term (Medium Term) mortgage and surety	...	1,15,545	1.63,443
Short term:			
Mortgage and surety	...	19,002	10,794
Jewel pledge	...	66,225	69,199
Grain pledge	...	17,950	6,028
Production loans	...	...	22 255
Deposit loans	...	2,120	1,930

The following is a comparative statement showing the amount of loans issued during the quarter ended 30-9-'56, and those issued during the corresponding period in the previous year.

Loans disbursed.		During the quarter ended 30-9-'56. Rs.	During the quarter ended 30-9-'55. Rs.
Long term Mortgage and Surety (Medium Term)	...	71,349	13,060
Short term:			
Mortgage and surety	...	4,947	16,925
Jewel pledge	...	39,782	26,157
Grain piedge	...	1,895	280
Production loans	...	22,915	...
Deposit loans	...	810	10
Total	...	1,41,698	56,432

Loans to the extent of Rs. 1,41,698 minus Rs. 32,842 being the loans transferred Rs. 1,08,856 as detailed above have actually been issued during the quarter ended 30-9.'56 as against Rs. 63,192 issued during the corresponding period in 1955-56 by all the four societies amalgamated and reformed into an agricultural Bank.

TARGETS have been fixed for the year 1956-57 for admitting 500 members and increasing the share capital by Rs. 15,000 besides issuing loans to the extent of Rs. 4 lakhs in all. It is proposed to issue loans to the extent of Rs. 50,000 for cultivation purposes alone.

State Participation :

The Agricultural Bank has applied to the Kancheepuram Co-operative Central Bank for a contribution of Rs. 10,000 towards the share capital of the Bank, as a large-sized society should aim at a paid up share capital of Rs, 50,000 as the ultimate target.

The Kancheepuram Co-operative Central Bank Ltd , the district financing bank, has sanctioned cash credit accommodation to the Uttiramerur Agricultural Bank for the following purposes namely .—

		Rs.
Jewel loans disbursement	...	25,000
For repayment of deposits	...	10,000
For transmitting agency work	...	5,000
Total	...	40,000

Managerial Staff :

A Paid-Secretary has been appointed on a monthly salary of Rs. 135 plus the usual allowanees availing of the Government subsidy of Rs. 100 per mensem in this regard. Besides, there are 2 other clerks working in this Bank now.

Godown :

As the Uttiramerur Co-operative Agricultural Bank is in a good market and business centre for agricultural produce like paddy and ragi, it has undertaken to put up a godowu construction at an estimated cost of Rs. 15,000. The Bank has purchased a site of a 28 cents from out of .its own funds for Rs. 1,400 and has obtained Government loan and subsidy on a 50:50 basis.

General :

The Bank has taken steps to issue cultivation loans. 172 loans to the tune of Rs, 24,000 have been granted to borrowers, on the

security of anticipated crops, who have undertaken to cuitivate 600 acres of lands utilising these loans and have agreed to market their produce through the Marketing Society at Kancheepuram. It is estimated that 10,000 kalams of paddy will be marked at Uttiramerur, being the produce of the members of the Bank.

The Bank has popularised the issue of jewel loans for sums of Rs. 10 and above. Poor people especially, find it very advantageous to obtain loans on the pledge of their jewels from this bank. Loans are obtainable more easily now than before on account of the speedy disposal of loan applications by employing the requisite staff. The villagers have commenced to realise the usefulness of the services rendered by this bank.

SALEM DISTRICT

Seshanchavadi Co-operative Agricultural Bank, Ltd.

The Seshanchavadi Co-operative Agricultural Bank (No. S.1234) the first of the seven large-sized societies formed under the scheme of rural credit and marketing in the Salem District, was formally inaugurated by Sri M. G. Balasubramanian, I.A.S., Collector, Salem at 9 a.m. on 25-12-56 at Kavarkalpatti, 13½ miles from Salem on the Salem-Attur Road. It was a fine morning and a very large gathering of agriculturists from all the surrounding villagee had gathered for the occasion and the village bore a festive appearance.

Sri K. S. Subramanya Gounder, the President of the Salem Co-operative Central Bank, Ltd. presided over the celebrations. The principal guests were received by Sri A. Ramaswami Udayar, the President of the Agricultural Bank, who introduced the other directors of the Agricultural Bank to the Collector. There was a group photo of the directors of the bank with the Collector and other distinguished guests. The Co-operative flag was hoisted by Sri U. Basappa, Executive Officer of the Salem Co-operative Central Bank, Ltd., amidst singing of national songs by school children. The meeting commenced with prayer.

Tha President, Sri K. S. Subramania Gounder in his opening remarks said that the panchayatdars of the two amalgamating credit societies at Seshanchavadi and Mettupatti had shown commendable enthusiasm and foresight in readily aggreeing to the amalgamation and wished the large-sized society all success in relieving the indebtedness of the agriculturists. He praised the services of the Collector for the district, and for the special interest he was evincing in the betterment of the villages and in the co-operative movement in the district.

The Collector than declared open the bank's buildings, housed temporarily in a rented building. He congratulated the directors of the agricultural bank for showing such quick progress in its working within a short period of its starting and in having themselves shown the way by investing in fixed deposits to the tune of Rs. 2,000. He specially commended the fact that the agricultnral bank was able to enlarge its membership so as to cover 65 per cent of the population in its area of operations. He also congratulated the Salem Co-operative Central Bank, Ltd. and its president for sanctioning the loan to the agricultural bank in a short period without any delay. (A sum of Rs. 50,000 was sanctioned to the agricultural bank). He then disbursed a few loans to the members. He stressed that the members should repay the loans promptly, market their produce only through the marketlng society to their best advantage, and to develop habits of thrift besides mere borrowings. He said that the Madras State and the Salem District in the state were leading the other states and districts in the matter of provision of agricultural credit and exhorted the office-bearers to keep up the reputation of the district and the State.

Mrs. Visalakshi Balasubramanian, the wife of the Collector, then distributed hundi boxes to 6 women members and 6 male members of the agricultural bank.

Sri A.B. Natesan, Special Deputy Registrar for credit and marketing Salem, then spoke. He exhorted the members to take advantage of the facilities offered by the agricultural bank by way of issue of loans for cultivation expenses, distribution of agricultural implements, seeds and manure and to clear their loans by the sale of their produce through the marketing society to their best advantage, and also to avail themselves of the rebate under interest they would get by such a method of repayment. He said that in due course loans will also be issued by the agricultural bank to submarginal cultivators on the pledge of their anticipated crops.

Sri S. Karupanna Pillai, Special Deputy Registrar for the Ammapet Weavers Housing Colony, Sri U. Basappa, Executive Officer of the Salem Co-operative Central Bank, Ltd., Sri M. Poovappa Bhandari, B.A., Deputy Registrar of Co-operative Societies, Dharmapuri and additional charge of the Salem circle and Sri Vembanna, Secretary of the Salem Co-operative Union also spoke.

Sri G. N. Swaminatha Iyer, director, proposed a vote of thanks and sung national songs. Sri Sathiah Pillai, Revenue Divisional Officer, Salem, Sri Fakir Ahmed, Tashildar, Sri V. Ramalingam, Assistant Secretary of the Salem Co-operative Central Bank, Sri Srinivasaraghavan, Superintendent of the Central Bank, Sri Thandavaraya Pillai, Secretary of the District Supply and Marketing Society, Salem, Sri S. P Ganapathi Ramaswamy, Co-operative Sub-Registrar, Credit and marketing, N. Shanmugam, Manager of the Salem Co-operative Union, Sri V. P. Chinnam Padayachi, President of the Valappadi Co-operative Agricultural Bank, Sri K. Kaliappa Gounder President of the Santhur Co-operative Agricultural Bank and several other co operators of the District were present.

A short note on the salient features in the working and progress of the agricultural bank is given below:

I. Introduction :

(a) This is the one of the seven large-sized societies (Co-operative Agricultural Bank) formed and the first to be registered in the district under the scheme of integrated rural credit and marketing. One of the main objects of the scheme is to amalgamate the existing small uneconomic units of rural credit societies into large economic units, so that the benefits of agricultural Co-operatives could reach larger clientele in the rural areas than heretofore.

(b) The Seshanchavadi Co-operative Agricultural Bank Ltd., was formed by the amalgamation of the credit societies at Seshanchavadi and Mettupatti. It was resgistered on 25-10-1956 and started on its working on 4-11-1956.

(c) The area of operations of the agricultural banks extends to the 5 villages of Kattuveppalapatty, Kavargalpatti, Chenrayanpalayam, Mettupatti and Perumapalayam with a total population of about 7208. The important object of the bank (other than credit) among others are :—

1. To procure and supply agricultural requirements like seed, manures, implements, cattle feeds etc, and domestic requirements and other necessaries of life.

2. To arrange for the sale of agricultural produce of its members to their best advantage and to own or hire godowns to provide storage facilities.

3. To improve the breed of livestock.

4. To encourage generally thrift, self-help and Co-operation among the members.

II. Membership and share capital:

(a) Authorised share capital: The authorised share capital of the bank is Rs. 50,000 made up of 9,000 A class shares of Rs. 5 each and 5,000 B class shares of Re. one each.

(b) No. of members. 923

NOTE: The percentage of population covered by the membership is 64.0 per cent against the district avarage of 18.4 per cent and against the target of 34 per cent for the 1st year of the Second Five Year Plan.

The salient features in the progress of the working of the bank.

	As on the date of amalgamation	As on 12-12-'56.
1 No. of members.	863	923
	Rs. A.	Rs. A.
2 Paid up share capital.	10,577 0	14,456 0
3 Borrowings from the Central Bank.	64,015 0	64,015 0
4 Staff security deposit	100 0	100 0
5 Fixed deposits from members.	—	2,000 0
6 Loans outstanding against the members.	76,818 0	74,517 0
7 Reserve fund invested in the Bank.	3,346 7	3,346 7
8 Other investments of the bank.	1885 0	1,885 0

NOTE: A loans of Rs. 50,000 has been sanctioned by the Central Bank is to be disbursed to the members to day in the pre-presence of the Collector. With this the total loans outstanding against will be Rs. 1,24,517.

III. Reserve fund of the bank.

Rs. 3,847-1-0.

IV. Borrowing limit of the bank.

8 times the paid up share capital plus Reserve Fund i. e. Rs. 1,46,424 as on 12-12-1956.

V. Individual maximum borrowing limit of the member

Rs. 50 for each share subject to a maximum of Rs. 2,000. Loans exceeding Rs. 500 shall be on the security of unencumbered immovable properiies wholly belonging to the borrower not exceeding 50 per cent of the estimated market value of such surety limit per share is Rs. 100.

Maximum rate of interest on borrowings.	$4\frac{1}{2}$ per cent
Maximum rate of interest on loans	$6\frac{1}{4}$ per cent
Penal rate of interest.	$12\frac{1}{2}$ per cent

VI. Management:

The management of the affairs of the bank shall vest in a Board of directors consisting of 11 members, of whom one shall be the nominee of the financing bank and the other shall be the nominee of the State Government to be nominated by the Registrar of Co-operative Societies.

The duration of the Board is 3 years, the year to commence from 1st July and end with 30th June irrespective of the date of election or assumption of office.

The 1st set of directors including the President, Vice-President and the treasurer shall be nominated by the Registrar of Co opera. tive Societies.

VII. General:

(a) 12 hundi boxes are to be distributed by the Collector to the members to-day in order to arrange the thrift aspect among the members.

(b) The society has taken up the work of distribution of chemical fertilisers to its members as agent of the Salem District Supply and Marketing Society Ltd. and has already purchased two tons of Ammonium Sulphate.

(c) The President of the bank has been gracious enough to secure 80 cents of vacant land for the construction of a godown for the bank and to donate its cost. The godown is to be constructed at a cost of Rs. 150,000, $\frac{3}{4}$ which will be subsidised by Government and the balance will be granted as a loan repayable in 25 years under the scheme of integrated credit and marketing. The proposals are under submission to the Registrar of Co-operative Societies.

(d) The Government will participate in the share capital of the bank to the extent of Rs. 10,000 and the amount will be channelled through the Co-operative Central Bank and the State Bank. The proposal is pending with the Central Bank.

(e) A subsidy of Rs. 100 p.m. will be provided by the Government to meet the cost of the paid secretary of the bank.

SALEM DISTRICT

Odayapatti Co-operative Agricultural Bank

The bank was formed by amalgamating the Odayapatti and the Masinaickenpati Co operative Credit societies. The position of the bank as on the date of amalgamation and as on date is as follows:—

		As on the date of amalgamation i.e., 5-11-'56.	As on date.
No. of members	...	501	721
		Rs.	Rs.
Paid up share capital	...	9,552	14,017
Deposits and borrowings:			
Fixed deposit	...	nil.	2,000
Home safe deposit	...	4	4
Central bank loans	...	59,406	1,02,906
Central bank O/D	...	...	3,000
Loan outstanding	...	...	...
Against members. S.T.	...	50,873	49,098
M.T.	...	18,053	18,053
Reserve fund of the bank	...	3,247-3-0	3,247-3-0

The Odayapatti Co-operative Agricultural bank Ltd., prepared a loan application for its members to the tune of Rs. 44,075 as detailed below and applied for the loan to the Salem Co-operative Central Bank Ltd,

		Rs.
Short term	...	27,250
Long term	...	16,825
Total	...	44,705

The Salem Co-operative Central bank Ltd., sanctioned a loan of Rs. 43,500 as detailed below on 21-11-'56.

		Rs.
Short term Loan	...	26,850
Medium term Loan	...	16,650
Total	...	43,500

Besides the loan, the bank has been sanctioned a cash credit accommodation of Rs. 3,000 to run fair price shops. The Odayapatti Co-operative Agricultural bank drew the entire sum of Rs. 43,500 on 21-11-'56. The loan disbursement was commenced after the speech by the Minister. The Minister disbursed the amounts to a few borrowers. In order to promote the habit of thrift, the hundi box system was also introduced in the bank. The Minister distributed hundi boxes to 3 male members and 2 female members of the bank.

The Valappadi Co.operative Agricultural Bank Ltd ,

The Valappadi Co-operative Agricultural Bank Ltd., was formed by the amalgamation of three societies in the area. We furnish below a few important financial particulars of the bank as on the date of amalgamation and as on date.

		As on date of amalgamation, i.e., 4-11-'56.	As on date.
No. of members	...	788	886
		Rs.	Rs.
Paid-up share capital	...	9,991	11,082
Deposits and borrowings:			
Fixed deposit	...	nil.	500
Hundi boxes	...	150-11-0	150-11-0
Central bank loans	...	70,654	1,00,684
Central bank O/D.	...	...	3,000
Loans outstanding against members S.T.	...	51,464	76,137
M.T.	...	27,121	
Reserve fund	—	3,106-7-0	3,106-7-0

The Vallappadi Co-operative Agricultural bank Ltd., prepared loan applications to the tune of Rs, 57,100 as detailed below and applied to the Central Bank for the loan of Rs. 57,100.

		Rs.
Short term	—	36,550
Medium term	—	20,550
Total	—	57,100

The Salem Co-operative Union Ltd., recommended a loan of Rs. 36,550 and the Central Bank sanctioned a short term loan of Rs. 34,755 besides a cash credit loan of Rs. 3,000 for running fair price shops. The mortgage loan for Rs. 20,550 is under scrutiny by the Salem Co operative Union and would be sanctioned in due course. The President of the Salem Co-operative Central Bank, in his presidential address assured both Agricultural Banks, that the Central Bank was prepared to sanction loans to them upto any extent and exhorted them to send up loan applications upto 1½ to 2 lakhs before the close of the year, The Valappadi Co operative Agricultural bank drew the entire loan of Rs. 34,755 sanctioned. The inaugural function commenced with the hoisting of the Co-operative flag by Sri N. P. Chatterjee, I.A.S., Registrar of

Co-operative Societies, Uttar Pradesh, who is on a study tour in Salem District. The Minister for co-operation after his speech disbursed loans to a few members and distributed hundi boxes to 3 male members and 6 female members of the bank.

3. The Minister was very much pleased with the quick progress made by the bank in a few weeks and the enthusiasm evinced by the directors of the two Co-operative Agricultural Banks. In the course of his speech he advised the members to make proper use of the loans sanctioned and disbursed to them, and to repay them on the due dates. He stressed the need for the encouragement of the thrift habit among the members and exhorted them successfully to implement all the objects found in by-law 2 of the by-laws. The minister was pleased to record his best wishes in the visitors' books of both the banks.

4. The Minister was also pleased to visit the newly opened Valappadi branch of the Salem Co-operative marketing society. He was impressed with the rapied progress made by the branch, which was able to procure members' produce to the tune of 5,000 bags in the course of 3 weeks after its starting. The Minister exhorted the members to increase their agricultural production by adopting modern methods and to try to get the best price for the produce by marketing it through the marketing society.

NILGIRIS DISTRICT

The Thummanatty Co-operative Agricultural Bank Limited

1. The first Co-operative Agricultural Bank in Nilgiris Dirtrict was started at Thummanatty on 7-11-56. The bank was inaugurated by Sri T. B. Linga Maistry, President Nilgiris Co-operative Central Bank. The celebration of the All India Co-operative Week coincided with the inaugural function. Sri G. Madalamuthu Udayar, B.A. Deputy Registrar Secretary of the Nilgiris Co-operative Central Bank hoisted the Co operative Flag and addressed the audience on the implication and importance of the celebration of the Co operative Week. Sri T. B. Linga Maistry snd Sri N. Amir John Deputy Registrar, Ootacammund also addressed the gathering and explained the advantages of the Co-operative Agricultural Banks over the existing village co-operative credit societies and exhorted the villagers to join the Agricultural Banks in large numbers.

The Bank has been formed by amalgamating three credit societies and has one revenue village as its area of operations. It had

on the date of amalgamation 275 members with a paid up share capital of Rs. 17,483 which had since been increased to 484 members and Rs. 29,363 share capital.

The Adigarratti Co-operative Agricultural Bank Limited

2. On the same day in the evening, another Agricultural Bank was inaugurated in the District at Adigaratti village by Sri T. B. Linga Maistry, President of the Nilgiris Co operatative Central Bank. Here also the All India Co-operative Week was celebrated along with the Inaugural functions. Sri G. Madalamuthu Udayar, B.A., Secretary The Nilgiris Co-operative Central Bank hoisted the National flag and Sri N. Amir John, Deputy Registrar, Ooty hoisted the co-operative flag.

The Bank has been formed by amalgamating three village credit societies and the area of operations extends for a radius of 2 miles. It has on the date of amalgamation 200 members with a paid up share capital of Rs. 20,158 which has since been increased to 278 members and Rs. 28,873 share capiltal.

The Sholur Co-operative Agricultural Bank Limited

3. The Sholur Co-operative Agricultural Bank was started on 8-11-1956 at Sholur. The members of the Chinese Delegation on Agricultural Research who visited the village also took part in the inaugural function. Sri Surendra Ram, M.P. Presided over the function and Sri P. Sankara Rao, B.A., (Hons.) Collector Nilgiris, inaugurated the Bank. Sri T. B Linga Maistry President, Nilgiris, Co-operative Central Bank hoisted the Co-operative flag. The Deputy Registrar Secretary of the Nilgiris Co-operative Central Bank Sri G. Madalamuthu Udayar, B.A., the Deputy Registrar Business Manager of the Nilgirs Co-operative Marketing Society, Sri K. P. Ramuni Menon, B.A., Sri N. Amir John, Deputy Registrar, Ooty Sri B. K. Mathan, B.A., (Hons.) Block Development Officer, Ooty and Sri C. P. Rajan, President District Board, Nilgiris also took part in the functions and addressed the gathering.

The leader of the Chinese Delegation also addressed the large gathering, appreciating their enterprise through co-operative method and exhorted them to join the co-operatives in greater numbers. A folk dance by the Kothas, a tribal class, was displayed at the end.

The Sholur Co-operative Agricultural Bank has been formed by amalgamating four village credit societies. It had on date of amalgamation 353 members with a paid up share capital of Rs. 30,464 which has since been increased to 363 members and Rs. 31,998 share capital.

The Mahalinga Co-operative Agricultural Bank Limited, Banacombai

4. The fourth Agricultural Bank was inaugurated in Kannerimooku village, (near Kotagiri) on 23-11-'56 by Sri T.B. Linga Maistry President Nilgiris Co-operative Central Bank. The Bank has been formed by amalgamating six village credit societies. It had on date of amalgamation 386 members with a paid up share capital of Rs. 18,121 which has since been increased to 436 members and a share capital of Rs. 22,978.

These Banks were formed by amalgamating small village credit societies to serve as-suitable agencies for providing seasonal finance answering principally the medium and short term needs of the ryots at a moderate rate of interest. They also enable the members to save, invest and cultivate banking habits.

The first set of directors of the four agricultural banks has been nominated by the Deputy Registrar, Ooty, for a period of three years from the date of starting.

TIRUCHIRAPALLI DISTRICT

Perambalur Co-operative Agricultural Bank, Ltd.

With a view to extending better credit facilities to agriculturists five co-operative agricultural banks were proposed to be formed in the Central Bank area during the 1st year of the Second Five Year Plan. Accordingly Perambalur Co-operative Agricultural Bank in the Perambalur Taluk and Govindapuram Co-operative Agricultural Bank, about 4 miles from Ariyalur in the Udayarpalayam Taluk were formed and inaugurated on 13-12-56 by Sri A. Hirudayasamy, Joint Registrar of Co-operative Societies, Madras at a function held in respective places, presided over by Sri T. S. Muthukumaraswami Pillai, President, Tiruchi District Co-operative Central Bank. These two banks were the first out of five such banks sanctioned for the bank area to be opened during the year.

At Perambalur, after Prayer, the Co-operative Flag was hoisted in the morning by Sri R. Mannadhi Udayar, President of the Local Co-operative Union and Executive Committee member of the Central Bank. He stated the significance of the different colours in the flag and the reasons for unique adoption of the flag by all nations. The

President, in his speech explained the scheme of integrated credit and marketing and how the co-operative agricultural bank would serve the ryots quickly and effectively in rural finance. He wished that people should avail of the opportunity and improve their financial position and earning capacity. The motto should be loans for productive purposes.

Next, the Joint Registrar of Co-operative Societies, while inaugurating the Bank, spoke at length, the usefulness of such a bank and how the bank would benefit the ryots in the long run not only by extending better credit facilities but also by securing a fair price for their agricultural products. These banks will also help for a regulated market. He inspired the gathering to join the bank in large numbers and benefit themselves.

Sri N. Paramasivathu Udayar, M.L.A. expressed that the bank would serve the long felt need of the people in the area by advancing different kinds of loans and wished the bank all success.

On behalf of the members of the Agricultural Bank, addresses were read out and presented to the President and the Joint Registrar. Prizes were distributed by the President to the persons who sung the prayer. There was a good gathering, on the occasion, comprising of ryots from nearby villages, distinguished persons, local officials, bank staff, Executive Officer, Secretary, Special Deputy Registrar and Deputy Registrar North and South. The Press representatives attended the function on invitation. The function came to a close with a vote of thanks. Printed phamplets detailing the kinds of credit facilities afforded by the bank were distributed.

The Perambalur Co-operative Agricultural Bank has been formed by the amalgamation of the existing 7 Co-operative Credit Societies of Perambalur Co-operative Society, Aranarai Co-operative Society, Sengonam Co-operative Society, Alambadi Co-operative Society, Yesanai Co-operative Society, Madevi Co-operative Society and Pudunaduvallur Co-operative Society. The area of operations of the Agricultural Bank comprises of 9 villages and their hamlets. The authorised share capital is Rs 55,000. The total number of members is 1243, share capital Rs. 28,103, Reserve Fund Rs. 14,125 Borrowings from Central Bank is Rs. 76,081, Deposits Rs. 75,002, Loans issued during 55-56 Rs. 91,983 and the loans outstanding against members Rs. 1,73,525 Maximum Borrowing Power of the Agricultural Bank is Rs. 3,37,824. Population 25939. Credit needs of the rural population is Rs. 6,48,475. The target fixed for the bank for 56–57 for admission of members including now on rolls is 2600 and for the issue of loans is Rs. 2,50,000.

Govindapuram Agricultural Bank

At Govindapuram, after prayer, the Co operative Flag was hoisted in the evening by Sri Mohamed Saliha, Special Deputy Registrar for credit and marketing, Tiruchi. He started that the two banks were the first out of the seven such banks sanctioned for the entire district and explained how the scheme of integrated credit and marketing would increase the income of the ryots besides affording better and quicker credit facilities to them.

The President Sri T. S. Muthukumaraswamy Pillai said that the co-operative movement has to play vital part in the rural economy during the Second Five Year Plan. Madras has done well and it must secure further development and consolidation of the movement. Sri A. Hirudayaswamy, Joint Registrar, while inaugurating the Bank, laid much stress on the honesty and integrity of the office-bearers and members of the bank as the reorganisation of our rural life is now sought to be achieved through the development of co-operation and suggested that it should be our endeavour to work towards the realisation of the concept of a co operative commonwealth. Sri S. Rajagogala Iyer, Deputy Registrar of Co-operative Societies (South) said that co-operation aims at the establishment of a new economic and social order. It is both a system and a moral force. It advocated that every one should help himself, in company with others in a spirit of mutual service. It enables people of small means to mobilise their resources and abilities for their common good. As such he appealed to the people to join the movement in large numbers. The Executive Officer of the Bank read out the messages received on the occasion from eminent persons like Sri Krishnaswamy Vandayar, President, Tanjore District Co-operative Central Bank etc.

On behalf of the members of the Govindapuram Co-operative Agricultural Bank addresses were read out and presented to the President and the Joint Registrar. The function was well attended by nearby villagers, Co operative Officials, Bank staff, Executive Officer and Secretary of the Bank and the Deputy Registrars, North and South and the Special Deputy Registrar. With a vote of thanks the function came to a close. Printed leaflets detailing the usefulness of the bank were distributed.

The Govindapuram Co-operative Agricultural Bank has been formed by the amalgamation of the existing 4 co-operative credit societies of 1. Govindapuram Co-operative Society, 2. Ottakoil Co-operative Society, 3. Srinivasapuram Co-operative Society and 4. Rayaralabath Co-operative Society. The area of operation of the bank comprises of 22 villages. The authorised share capital is Rs. 55,000. There are 520 members with a paid up share capital of Rs 12,645. The total maximum credit limit of the bank is Rs. 1,15,360 at present while the actual borrowings amount to Rs. 79,206. The Reserve Fund of the bank amounts to Rs. 1,775. The total loan outstanding against members is Rs. 88,899. Loans issued during 55–56 was Rs. 64,740. The total rural population in the area of operations of the Agricultural Bank is 13,278 while the credit needs of the villagers is estimated at Rs. 3,32,000. The percentage of population served by the Agricultural Bank in terms of families is 19.6 per cent while the credit needs met is also 19 per cent The target fixed for increase of membership for the year 56-57 including the members on rolls is 1330 so as to cover 50 per cent of the total population in terms of families. The target for issue of loans during 56-57 is fixed at Rs. 1,65,000.

TANJORE DISTRICT

Co-operative Agricultural Bank, Nidamangalam

Under the chairmanship of Sri P. Subbiah Mudaliar, a prominent Co-operator and Secretary of the Mannargudy Co-operative Union, the Nidamangalam Co operative Agricultural Bank Limited T. 1344 was started on 7-1-'57.

The Bank was organised under the scheme of Integrated Credit and Marketing by amalgamating the three co-operative Credit Societies at Nidamangalam, Adanur and Vaikalathu villages. The main object of the Bank is to bring in more agriculturists into co-operative fold and finance them for Agricultural operations in time.

A large gathering of members and non-members attended the meeting. Sri K. Nataraja Pillai, chief promoter of the Bank and a prominent co operator of the place welcomed the gathering. After the chairman's inaugural address, Sri R. S. Subramania Pillai, Deputy Registrar spoke on the advantages of the new pattern of Agricultural Banks with limited liability and exhorted the gathering to become members of the Nidamangalam Agricultural Bank Limited and other co-oparative institutions in large numbers as the Co-operative method of doing business is the best suited to the genius of the country. Sri C. Raghvan Nair, spoke on the Second Five Year Plan with reference to co-operation and emphasised the need for strengthening Co-operative Credit institutions and Marketing societies, so as to enable them to play a prominent role in the agricultural economy of the country. Sri R. Varadarajan, Co-operative Sub-Registrar (Credit and Marketing) and Sri K. Karuppusamy, Assistant Secretary of the Central Bank spoke on the scheme of Integrated Credit and Marketing.

The meeting came to a close after a vote of thanks by Sri K. Radhakrishna Naidu, President of the Bank.

Koradacheri Co-operative Agricultural Bank Limited

The Koradacheri Co-operative Agricultural Bank was inaugurated on 4 1 1957 in the premises of the Board High School, Koradacheri. Sri M. D. Thiyagaraja Pillai, M.L.A., presided on the occassion. The president was taken in procession from his residence to the School. Sri Muthuvelu Pillai hoisted the Co-operative Flag. The President spoke about the achievements in the First Five Year Plan and the steps taken by the State for the amelioration of the masses in the Second Five Year Plan. Sri T. P. Loganathan, Deputy Registrar, Kumbakonam, spoke about the benefits rendered by the Co operative movement to the public and he pointed out the need for concerted action on the part of the office bearers to strengthen the movement. Sri S. Kandaswamy, Special Deputy Registrar, Tiruvarur, explained the objects of the Agricultural Bank, the need for all the residents in the area to join the co-operative fold, benefits the ryots can derive from the Agricultural Bank, the objects and benefits of thrift and savings and he exorted that all the residents in the area should get themselves admitted as members and should save and deposit their savings in the Agricultural Bank to the maximum extent. Sri K. Narayanaswamy Iyer, President of the Poonthottam Agricultural Bank, pointed out the need of the members to be prompt in the repayment of their dues and he inaugurated the Bank wishing it a bright future. Sri Ramamirtha Udayar, President of the Koradacheri Co-operative Stores, unveiled the portrait of Sri K. Thandapani Chettiar, President of the Agricultural Bank. Sri V. S. T. Sambandam Pillai proposed vote of thanks. After tea and group photo the function came to a close.

Sikkil Agricultural Co operative Bank, Ltd.

The Sikkil Co-operative Agricultural Bank Ltd., No. 10707 was inaugurated on 27-11-1956. Sri G. Ramanuja Mudaliar, President of the Tiruvarur Co-operative Union presided on the occasion. Honourable Minister Sri M. Baktavatsalam, Minister for Co-operation inaugurated the Bank. Sri A. Hirudayaswamy, B.A., Joint Registrar of Co-operative Societies, Madras delivered the Silver Jubilee address on the occasion. A procession was conducted just before the function with co-operative slogans and co-operative flag at 4 45 p.m. After prayer, Sri S. T. Rm. Kandaswamy Mudaliar, President of the Bank welcome the guests. The President of the function, Sri G. Ramanuja Mudaliar delivered an address stressing the need for all the co-operators to run the co-operative institution placed in their charge on sound lines. A welcome address was presented to the Honourable Minister and he explained the objects of the Agricultural Bank and wished that every one should reap the benefits of it. The Joint Registrar of Co-operative Societies in his Silver Jubilee address explained the principle of co-operation, the service rendered by the movement in the State and the future plan of work and exhorted the public to co operate and make the institution a successful one. Portraits of Sri R. Appakutti Pillai, Sri S. Kanakasabai Pillai and Sri S. T. Rm. Kandaswamy Mudaliar who were the founders and patrons of the society were unveild by Sri G. Ramanuja Mudaliar, Sri K. Kalimuthu, M.A., B.L., and Sri N. Ramalingam, B.A., Dip. Pol. & Pub. Adm., respectively. Sri R. Rajasanthanam Pillai and Sri Kovai Ilanjeran spoke about co-operation. After variety entertainments by the school children and distribution of prizes, the function came to a close with vote of thanks.

Poonthottam Agricultural Bank

The Poonthottam Agricultural Bank was registered and started on 9-12-'56. The function of starting the Bank was arranged in the Poonthottam Board School. Sri K. Krishnamoorthi Iyer, President of the Kodavasal Union presided on the occasion. Sri T. P. Loganathan, Deputy Registrar, Kumbakonam inaugurated the Bank. Sri S. Kandasamy, B.A., Special Deputy Registrar for Credit and Marketing, Tiruvarur explained to the gathering about the objects and future plan of work of the Agricultural Bank. The function was attended by large number of members from all the amalgamated societies and also by the public. After vote of thanks and tea, the function came to a close.

TIRUNELVELI DISTRICT

Karungulam Co-operative Agricultural Bank Ltd.

It was an impressive and splendid function in Seydunganallur village on the 21st of November, 1956. Great enthusiasm prevailed and hundreds of villagers had occupied their places much in advance of the scheduled hour. Sri Medai Dalavoi Kumaraswamy Mudaliar, President of the State Co-operative Bank and the Tirunelveli District Co-operative Central Bank punctually arrived at 3-30 p.m. and was taken to the decorated pandal with nathaswaram music. Sri R. Shanmugasikamani, M.A., I.A.S., Probationary Deputy Collector presided over the function. Sri Medai Dalavoi Kumaraswamy Mudaliar declared the bank open and addressed the gathering at length about the benefits of co-operative finance for agriculture. Sri S. Subbiah Mudaliar of Tirunelveli unveiled a portrait of Mahatma Gandhi and exhorted the people to emulate his dedicated life in the cause of co-operation. Sri V. Ramamurti, B.A., Special Deputy Registrar for credit and marketing, Srivaikuntam and Sri K. Radhakrishnan, B.A., Secretary, Tirunelveli District Co-operative Central Bank Ltd., then spoke about the integrated scheme of rural credit and marketing and explained the special features of the working of an agricultural bank besides impressing on them the need to market their produce through the Perungulam Co-operative Marketing Society to which the Agricultural Bank is affiliated. Sri L. Krishnan, the President of the Bank proposed a vote of thanks. With group photo and tea, the delightful function came to a close.

RAMNAD DISTRICT

The Muhavoor Co-operative Agricultural Bank

A Co-operative Agricultural Bank was started at Muhavoor in the Srivilliputtur taluk on the 13th instant, amalgamating the 7 multipurpose co-operative societies situated at Muhavoor, Elindurai-kondan, Panchampatti, Puthur, Arulputhur and Devadanam. This is the first agricultural bank for this part of the taluk. Muhavoor is a big centre for small agriculturists. The bank will not only issue loans to its members but will also distribute improved seeds, manure and all other necessaries of the agriculturists calculated to increase production. The Ramnad District Co-operative Central Bank has agreed to depute a qualified and experienced supervisor to work as the full time paid Secretary of the Bank. Government will give the bank a subsidy of Rs. 100 per mensem to meet the cost of the supervisor. They will also give the bank a subsidy not exceeding

Rs. 5,000 and loan not exceeding Rs. 10,000 to enable it to construct a godown for holding up agricultural produce for a favourable market. Government will also participate in the management of the bank by subscribing as much as Rs. 10,000 to its share capital.

The bank was opened by Sri S. Ramaswamy Naidu, M.A. B.L., M.L.A., in the presence of a large gathering of agriculturists. Sri A. K. D. Balarama Raja, a director of the Central Bank and a leading agriculturist hoisted the Co-operative flag. Sri R. Krishnasamy Naidu, M.L.A., President of the Srivilliputtur Co-operative Supervising Union presided over the function and advised the co-operators to make full use of the bank. Messrs A. K. D. Rangasami Raja, a prominent co-operator, Rajayya Nadar, B.A., Deputy Registrar of co-operative societies, Ramnad and Subramania Iyer, B.A., Spl. Deputy Registrar, Srivilliputtur spoke on the usefulness of agricultural banks. As the bank is functioning in the midst of a rich agricultural sector inhabited by hardworking industrious and progressive agriculturists it is expected that it will prosper well and confer immense benefits on the people.

Proceedings of the opening of "Handloom House" at Madras on 6-3-1957.

Inaugurating the "Handloom House", at the White House in Rattan Bazaar, on 6-3-1957 Mr. T. T. Krishnamachari, Union Minister for Finance, referred to the various steps taken by the Union Government, in co-operation with the State Governments, to put the handloom industry on a firm and stable footing and assured that finance would not stand in the way of fulfilling that object.

Mr. K. Kamaraj, Chief Minister, presided.

Mr. V. Nanjappa, Textile Commissioner, Union Government, welcomed the gathering, and said that the new handloom emporium was sponsored by the All-India Handloom Fabrics Marketing Society which had affiliated to it 26 State Apex Societies, 313 primary weavers' societies and 38 private bodies manufacturing handloom fabrics. The emporium was the second of its kind, there being one already in existence in Bombay and functioning well. The Society, Mr. Nanjappa said, had purchased handloom fabrics to the value of Rs 30 lakhs from all over the country and effected sale to the tune Rs. 22 lakhs. There was a proposal to start similar emporia in Delhi, Calcutta and other centres. A nucleus of the Export Department had been opened in Bombay. The creation of the Society and the starting of such emporia owed a great deal to the active interest taken by Mr. T.T. Krishnamachari, when he was the Union Minister for Industry and Commerce. The Union Government had helped the Society with a working capital loan of Rs. 11 lakhs and had sanctioned a scheme to assist the manufacturers of Madras Handkerchief by purchasing the stock lying with them and disposing them of at a time when it would fetch favourable price.

Mr. Krishnamachari said that it was a matter of particular satisfaction for him to be able to participate in that function which, in one sense, he said, added prestige to the handloom industry. He would not be modest to deny the fact or rather the charge that Mr. Nanjappa made that he was particularly interested in the handloom industry. In fact, the interest that he had in that industry which started, he said, almost from a challenge thrown to him by Mr. C. Rajagopalachari, who was Chief Minister of Madras in 1952, was great and abiding, and one of his regrets, and probably the only regret he had in leaving the Commerce and Industry Ministry and taking over Finance was the fact that he had to dissociate himself from the progress and development of the handloom industry.

Improvement of Weavers' Lot

Paying a tribute to the officers working in the Commerce and Industry Ministry, Mr. T. T. Krishnamachari said that they had done really a very good job in placing the handloom industry in a position, which would make it a stable industry in the future. It was not a case of their having done something in Madras alone where, it must be acknowledged, what had been done by the efforts of the Central Government and the State Government was impressive. More or less the same thing had been done in most parts of India. In some cases, the handloom weavers in other parts of India had done better than in Madras because they went in by specialities. Weavers of that kind in Uttar Pradesh and Madhya Pradesh were earning something like Rs. 5 a day utilising the latest appliances the Handloom Board had supplied to them free or as loan. The Banaras silk weaver was much better off than those elsewhere. In Salem, particularly the co-operative societiy was doing reasonably well. Unfortunately, there were pockets. In Saidapet, a weaver belonging to the co-operative society was getting something like Re. 1-8-0 per day and that did not compare well with the weaver in Salem. But the weavers in Melapalayam were doing even worse.

Mr T. T. Krishnamachari explained the object of getting the handloom weavers registered and said that it was with a view to get a composite and precise picture of the whole situation that the Central Government and State Governments endeavoured to get a census of handloom weavers. He assured that there was no intention of taxing the handloom weaver or driving him out of trade. The idea was to ascertain where the weavers were and how many looms a weaver had. He had information from the Deputy Textile Commissioner. Mr. Sabhanayakam, that the census was more or less complete in Madras and there were about 4.2 lakhs looms in the State. It was good that they knew how many active looms they had. They must find out how those looms were functioning. Durring his election tour, he found a few looms here and there doing badly and he felt that the Department should have some kind of 'Public Relations'.

Referring to production of handloom cloth. Mr. T. T. Krishnamachari said that between March, 1954, and March 1956, production by the looms in the co-operative field rose from 18 lakhs yards per month to over 60 lakhs yards per month, and he believed further progress should have been made from 1956. Altogether, he said, the State Government officials had imbibed the spirit behind the whole movement and the whole effort they were putting in improving the status of the handloom weaver. He did not know if many people in Madras knew the extent of assistance given by the Central Government—of course, through the aegis of the State Government. The assistance for the schemes formulated for 1956-57 was in the region of Rs. 2.25 crores. "You may ask," Mr. T. T. Krishnamachari added. "more money must be forthcoming. Yes.—I do not say because it is Madras; I am saying it whether it is Madras, Bombay, or Calcutta, or Bihar or U. P.—whether the handloom weaver's position can be improved the Centre will find the money for it."

Tax on Mill Cloth

Proceeding. Mr. Krishnamachari said that originally, a tax had keen put on mill cloth at the rate of three pies per yard. It was later changed to the three pies per sq. yd. That gave Rs. 10 crores. In regard to the use of that fund, half of it went to khadi and the other half to handloom. A lot more of money was spent from the general revenue. He assured that any amount necessary would be forthcoming always. It was the Government's hope that before long they would be able to put the handloom industry on a firm and stable footing so that it might not be for all time a feather-bedded one getting subsidy from the Government.

On the question of introduction of powerlooms. Mr. Krishnamachari said that some feared that the Government might introduce powerlooms and it was useful for politicians to exploit it. He did not think that the Ministers of the State Government. or for that matter the Commerce and Industry Ministry at the Centre, or himself had any intention of forcing the powerloom on any individual. If the powerloom could make the individual handloom weaver or the handloom weaver in the co-operative sector earn more and if he wanted to take advantage of it, he could have it and otherwise not, in any event, he assured, if there were to be the least chance of there being a competition from the powerlooms, then the production from powerlooms from those who had taken advantage of it would be certainly "screened off." It would not make the position of the handloom weaver better. That was why they had been spending a lot to improve the condition of the handloom weaver and it would be futile to give him that aid if the Government were going to ruin him by introducing powerlooms.

Explaining the object of the emporium, Mr. Krishnamachari said that the idea of an institution of that nature came because of the various researches that the Handloom Board had made in conjunction with the Commerce Ministry at the Centre in regard to furthering of export trade. The Americans were taking large interest in the Indian handloom fabrics. They had a few foreign experts, mostly women, who had advised in regard to sale of handlooms in America and West Africa. They should build export trade for handloom fabrics not so much to earn foreign exchange, though it was undoubtedly an important factor but more to help the handloom weaver in the country, so that he could sell what might be called 'luxury goods.'

Handloom Fabrics Co-operative Societies

One of the objectives of the All-India Handloom Fabric Co-operative Society was to purchase the fabrics from the weaver and dispose of them at a time when they fetched good price. This would enable the handloom weaver to go on producing goods without any regard for the fluctuation of demand and supply in the foreign market. At a time when there was accumulation of Madras Handkerchief, the Handloom Board had entered the market on behalf of the All-India Handloom Fabrics Co-operative Society and purchased goods worth about Rs. 34 laks.

The Handloom Fabrics Co-operative Society was expected to function as a stabilising factor and it was hoped that it would become a powerful institution in course of time. He hoped that his friends in industry and trade would not characterise the institution as another piece of State trading and therefore a folly. That type of State trading was extremely good. Whatever venture the Government entered into, if it was to help the man who was an under-dog, who was the most backward, it was justifiable and if it was State trading it could not be helped. He appreciated the efforts of some Sindhi friends who had done pioneering work in popularising the Madras Handkerchiefs in foreign markets. They had branches in West Africa and the Government did not want to put them out of market. As the business expanded, they would like to have a share in it as the producers' interest was paramount. He complemented Mr. Kewalram on the ready help he had given.

Proceedings of the Inauguration of the Milk Bar of the Madras Co-op. Milk Supply Union at Mylapore on 5-3-1957

SALES TAX ON MILK

Madras Minister on Plea for Exemption

Mr. M. Bhakthavatsalam, Minister for Agriculture, Government of Madras, said on March 6 that the Government should sympathetically consider the question of exempting milk from the levy of Sales Tax.

He was presiding over opening ceremony of the new milk bar of the Madras Co-operative Milk Supply Union, Ltd., at Mathala Narayana Naicken Street, Mylapore, which was inaugurated by Mr. T. T. Krishnamachari, Union Finance Minister.

Welcoming the guests, Mr. K. Nachinarkinia Sivam, President of the Madras Co-operative Milk Supply Union, Ltd, said that the Union had 163 affiliated societies, engaged in milk business. He said that apart from the heavy expenditure, the Union was paying nearly Rs. 60,000 a year towards sales tax on the sale of milk, and appealed to the Government to subsidise it to some extent, besides granting exemption from sales tax. The money thus saved, he said, would be utilised to sell milk at a cheaper rate to the public.

Mr. Bhakthavatsalam said that the Milk Supply Union was a success in the field of co-operation. He was also glad to note that work of the Union provided an additional source of income to the poor villagers around the City. Referring to the plea for exempting milk from sales tax, Mr. Bhakthavatsalam said that the Government were confronted with the requests for exemption from sales tax on almost every article on which the tax was levied, and naturally the Government could not do so without seriously impairing their revenues. But, since milk was an essential food item, the Government would sympathetically consider the question of exempting milk from sales tax.

Mr. Krishnamachari said that large quantities of milk powder used to be imported from foreign countries, and the Government had recently restricted the imports due to difficulties in the matter of foreign exchange required for the purpose. The Government, therefore, welcomed any movement to step up the production of milk within the country and, would render all possible assistance in this matter. Regarding the setting up of milk colonies under the Second Five Year Plan. Mr. Krishnamachari assured the Milk Supply Union that the Government would see to it that the opening of such milk colonies would not affect the existing milk colonies in any way.

Mr. T. Shunmugam Pillai proposed a vote of thanks.

G.O.'s and Circulars

BILL TO AMEND THE MADRAS CO-OP. SOCIETIES ACT, 1932

Under the proviso to rule 92/93 of the Madras Assembly/Council Rules, the following bill together with the statement of objects and reasons, is published for general information :—

A Bill further to amend the Madras Co-op. Societies Act, 1932

WHEREAS it is expedient further to amend the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), for the purposes hereinafter appearing ;

BE it enacted in the Seventh Year of the Republic of India as follows :—

1. *Short title.*—This Act may be called the Madras Co-operative Societies (Amendment) Act, 1956.

2. *Amendment of Section 2, Madras Act VI of 1932.*—In the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) thereinafter referred to as the principal Act, in section 2, for clause (g), the following clause shall be *substituted*, namely :—

"(g) 'Registrar' means a person appointed to perform the duties of a Registrar of Co-operative Societies under this Act, and includes a person on whom all or any of the powers of a Registrar under this Act have been conferred under section 3; and".

3. *Substitution of new section for section 4 in Madras Act VI of 1932.*—For section 4 of the principal Act, the following section shall be *substituted*, namely:—

"4. *Societies which may be registered.*—(1) Subject to the provisions of this Act, a society which has as its object the promotion of the economic interests of its members in accordance with co-operative principle, or a society established with the object of facilitating the operations of such a society, may be registered under this Act with or without limited liability:

provided that—

(i) the liability of a society of which a registered society is a member shall be limited; and

(ii) unless the Registrar otherwise directs, the liability of a society of which the primary object is the creation of funds to be lent to its members and of which the majority of the members are agriculturists, shall be unlimited and the members of such a society, shall, on its liquidation, be jointly and severally liable for and in respect of all its obligations.

(2) Whether the liability of the members of a registered society is unlimited or limited by shares, the liability of the State Government or of a financing bank, which has taken shares in such registered society, shall be limited to the share capital subscribed by the State Government or such financing bank.

4. *Substitution of new section for section 6 in Madras Act VI of 1932.*—For section 6 of the principal Act, the following section shall be *substituted*, namely:—

" 6. *Restriction on interest of members of society with limited liability and a share capital.*—Where the liability of the members of a society is limited by shares, no member other than a registered society, or the State Government shall—

(*a*) hold more than such portion of the share capital of the society, subject to a maximum of one-fifth, as may be prescribed; or

(*b*) have or claim any interest in the shares of the society exceeding, in the case of a society the primary object of which is the creation of funds to be lent to its members, one thousand rupees, and, in the case of any other society, five thousand rupees.

5. *Amendment of section 13, Madras Act VI of 1932.*—In section 13 of the principal Act, *after* sub-section (*b*), the following sub-section shall be *added*, namely:—

(*c*) (1) Where in the opinion of the Registrar, the amalgamation of two or more registered societies is necessary or desirable for increasing their strength or usefulness, he may, after consulting in the manner prescribed the financing bank to which the societies are indebted, call upon such societies to amalgamate within such time as may be specified by him into one society in accordance with the procedure specified in sub-section (*b*).

(2) If the societies fail to amalgamate into one society within the time specified by the Registrar, he may, after giving an opportunity to the committee of each of the societies to state its objections, if any, direct the amalgamation of the societies into one society.

(3) Every registered society so directed shall within one month of the receipt of the Registrar's direction give notice of the direction to all its members and creditors.

(4) (i) Any member of any of the societies so directed may, notwithstanding any by-law to the contrary, by notice given to the society of which he is a member intimate his intention not to become a member of the new society and shall have the option of withdrawing his shares, deposits, or loans, as the case may be, within a period of one month of the service of such notice.

(ii) Any creditor of any of the societies so directed may, notwithstanding any agreement to the contrary, by notice given to the society of which he is a creditor demand a return of the amount due to him, within a period of one month from the service of such notice.

(5) Any member or creditor who does not exercise his option within the period aforesaid shall be deemed to have assented to the amalgamation.

(6) After the repayment of the share capital of the members and the claims of the creditors, if any, under clause (4) by the societies directed to be amalgamated or after a majority of the members and creditors of such societies have assented to the amalgamation, the Registrar may register the new society. On such registration, the registration of the old societies shall be deemed to have been cancelled. The registration of the new society shall be a sufficient conveyance to vest in it all the assets and liabilities of the original societies.

(7) The directions of the Registrar under clause (2) or any other order passed by him under this sub-section shall be final and shall not be called in question in any civil court.

6. *Substitution of new section for section 21 in Madras Act VI of 1932.*—For section 21 of the principal Act, the following section shall be substituted, namely:—

" 21. *Prior claim of society:*—(1) Subject to the prior claim, if any, of the Government in respect of land revenue or any money recoverable as land revenue, any debt or outstanding demand due to a registered society from any member or past member or the estate of a deceased member shall be a first charge—

(i) upon the crops or other agricultural produce of such member for the raising of which the loan was taken from the society by such member, and

(ii) upon any cattle, fodder for cattle, agricultural or industrial implements or machinery, or raw materials for manufacture, supplied, or purchased in whole or in part out of the loan of money given by the society, or on any articles manufactured from raw materials so supplied or purchased or on any workshop, godown, or place of business, constructed or purchased out of any such loan.

(2) No property or interest in property which is subject to a charge in favour of a registered society under sub-section (1) shall be sold or otherwise transferred or converted in any manner without the previous written permission of the society.

(3) A member or a past member or the nominee, heir or legal representative of a deceased member of a registered society, shall, if so required by the society, deposit with or entrust to the custody of the society such property as is subject to a charge under sub-section (1) at such place and in such manner as may be prescribed until the debt or outstanding demand due to the society, is fully paid and shall also pay towards all expenses incidental to the removal, transport or maintenance of the property so deposited or entrusted to custody. The charges connected with removal, transport or maintanance of such property shall be recovered from the member or the past member or the estate of the deceased member, as the case may be, in accordance with such scale as may be prescribed.

(4) Notwithstanding anything contained in any law, any transaction made in contravention of sub-section (2) shall be void.

(5) The charge created by sub section (1) in favour of a registered society shall be available as against any claim of the Government arising from a loan granted under the Land Improvement Loans Act, 1883 (Central Act XIX of 1883), after the grant of the loan by the society.

7. *Amendment of section 25, Madras Act VI of 1932.*—To section 25 of the principal Act, the following proviso shall be added, namely :—

"Provided that the State Government or a financing bank which has taken shares in a registered society shall not be liable for the debts of such society."

8. *Amendment of section 34 of Madras Act VI of 1932.*—In section 34, sub.section (1), of the principal Act, for clause (*c*) the following clause shall be substituted, namely :—

"(*c*) in the shares or securities of any other registered society, provided that no such investment shall be made in the shares of any society with unlimited liability except with the general or special sanction of the Registrar and subject to such limits as may be specified by him from time to time, or."

9. *Substitution of new section for section 53 in Madras Act VI of 1932.*—For section 53 of the principal Act, the following section shall be substituted, namely :—

"53. *Punishment for disposing of property in contravention of section 21*.—Any person who acts in contravention of sub-section (2) of section 21 or fails to deposit or entrust to custody when required to do so by any society under sub-section (3) of that section shall be punishable with imprisonment for a term which may extent to six months or with fine which may extend to five hundred rupees."

10. *Insertion of new section 57-AA in Madras Act VI of 1932*.—After section 57-A of the principal Act, the following section shall be inserted, namely :—

"57-AA. *Recovery of debts*.—Notwithstanding anything contained in this Act or in any other law and without prejudice to any other mode of recovery which is being taken or may be taken, the Registrar or any person subordinate to him empowered by the Registrar in this behalf may, subject to such rules as may be prescribed and on application from a registered society for the purpose, recover any debt or outstanding demand due to the society by any member or past or deceased member, by sale of the property or interest in property which is subject to a charge under sub-section (1) of section 21.

Provided that no sale shall be ordered under this section unless the member or past member or the nominee, heir or legal representative of the deceased member has been served, in the manner prescribed, with a notice of the application to sell and has failed to pay the debt or outstanding demand within seven days from the date of such service."

Statement of Objects and Reasons

The All-India Rural Credit Survey Committee has recommended a system of integrated rural credit and marketing in regard to credit. The Committee has suggested that large-sized societies based on limited liability or liability limited by guarantee should be formed either by fresh organization or by the amalgamation of the existing societies. It has also been emphasized that loans on anticipated crops should be issued, if the agricultural credit co-operatives are to extend their sphere of usefulness to the large body of cultivators, and that suitable legislation should be undertaken to induce prompt repayment of loans advanced for agricultural operations by the co-operatives. To give effect to these recommendations, a scheme of integrated rural credit and marketing has been introduced during the Second Five-Year Plan. The objective is to establish about 400 large sized societies which will be provided with subsidies to meet the cost of employing managerial staff for a period of three years on a graded scale. These societies will issue loans to members on anticipated crops. They will be provided with warehousing facilities for stocking the produce pledged by the members. The State will also take shares in the large-sized societies through the State Co-operative Bank and the District Co-operative Central Bank. As the existing provisions in the Madras Co-operative Societies Act, 1932, are not found sufficient to successfully implement the schemes referred to above, it has been considered necessary to amend the Act. The object of the amendments is briefly explained below in the Notes on Clauses.

NOTES ON CLAUSES

Clause 2.—This clause substitutes a new definition of 'Registrar' in section 2 (*g*) to bring it into conformity with section 3 of the Act.

Clause 3.—This clause substitutes a new section for section 4. The new section exempts the State Government and financing banks from the operation of unlimited liability or liability limited by guarantee where the State Government or the financing banks have taken shares in the societies.

Clause 4.—This clause substitutes a new section for section 6 enabling the State Government to take shares in a society without reference to the present limit of Rs. 1,000.

Clause 5.—This clause amends section 13 to provide for compulsory amalgamation of registered societies when considered necessary.

Clause 6.—This clause substitutes a new section for section 21 for creating a first charge on crops, cattle, implements, etc.

Clause 7.—This clause amends section 25 so as to exempt the State Government and the financing banks from liability for the debts of the society as contemplated in section 25.

Clause 8.—This clause substitutes a new clause for clause (*c*) in sub-section (1) of section 34 to enable financing banks to take shares in unlimited liability societies, wherever necessary.

Clause 9.—This clause substitutes a new section for section 53 for providing deterrent penalty against infringement of the provisions of section 21.

Clause 10.—This clause inserts a new section 57-AA which provides for a summary method of recovery of loans, the security for which is subject to a first charge in favour of the society.

M. BHAKTAVATSALAM,
Minister in-charge of Agriculture.

(By Order of the Governor)

A. ALAGIRISWAMI,
Secretary to Government, Law Department.

MULTI-UNIT CO-OPERATIVE SOCIETIES ACT

Act No. VI of 1942

(As amended up to 1-11-1956)

The following Act of the Indian Legislature received the assent of the Governor General on the 2nd March 1942, and is hereby promulgated for general information.

An Act to provide for the incorporation, regulation and winding up of Co-operative societies with objects not confined to one province.

WHEREAS it is expedient to provide for the incorporation, regulation and winding up of co-operative societies with objects not confined to one province; it is hereby enacted as follows:

1. Short title, extent and application.—(1) This Act may be called the Multi-Unit Co-operative societies Act 1942.

(2) It extends to the whole of India except the State of JAMMU AND KASHMIR*

(3) It applies to all Co-operative societies with objects not confined to one province incorporated before the commencement of this Act under the co-operative Societies Act, II of 1912, or under any Act relating to Co-operative societies in force in any province and to all Co-operative societies with objects not confined to one province to be incorporated after the commencement of this Act.

2. Co-operative societies to which this Act applies registered before commencement of this Act.—(1) A co-operative society to which this Act applies, which has been registered in any province under the law relating to co-operative societies in force in that province shall be deemed in any other province to which its objects extend to be duly registered in that other province under the law there in force relating to co-operative societies, but shall, save as provided in sub-sections (2) and (3) be subject for all the purposes of

* Amended under Act 34 of 1956.

registration, control and dissolution to the law relating to co operative societies in force for the time being in the province, in which it is actually registered.

(2) Where any such co-operative society has established before the commencement of this act or establishes after the commencement of this Act a branch or place of business in a province other than that in which it is actually registered, it shall, within six months from the commencement of the Act or the date of establishment of the branch or place of business, as the case may be, furnish to the Registrar of Co-operative societies of the province in which such branch or place of business, is situated a copy of its registered by-laws, and shall at any time it is required to do so by the said Registrar submit any return and supply any information which the said Registrar might require to be submitted or supplied to him by a Co-operative society actually registered in that province.

(3) The Registrar of Co operative societies of the province in which a branch or place of business such as is referred to in sub-section (2) is situated may exercise in respect of that branch or place of business any powers of audit and of inspection which he might exercise in respect of a Co-operative society actually registered in the province.

3. Co operative societies to which this Act applies registered after commencement of this Act—(1) A Society which might, if its objects were confined to one province be registered as a co-operative society in any province under the law relating to co operative societies in force in that province, shall notwithstanding that its objects are not confined to the province in which its principal place of business is to be situated, be deemed for the purposes of registration as a co operative society to be situated wholly in that province, and may be registered by the Registrar of Co-operative societies of that province in accordance with the law relating to co-operative societies for the time being in force in that province, and if so registered shall be deemed in any other province to which its objects extend to be duly registered in that other province under the law there in force relating to co-operative societies but shall, save as provided in sub-sections (2) and (3) be subject for all the purposes of registration, control and dissolution to the law relating to co operative societies in force for the time being in the province in which it is actually registered.

(2) Where any such co-operative society establishes a branch or place of business in a province other than that in which it is actually registered it shall within six months from the date of establishment of the branch or place of business furnish to the Registrar of Co-operative societies of the province in which such branch or place of business is situated a copy of its registered by-laws, and shall at any time it is required to do so by the said Registrar submit any returns and supply any information which the said Registrar might require to be submitted or supplied to him by a co-operative society actually registered in that province.

(3) The Registrar of Co-operative societies of the province in which a branch or place of business such as is referred to in sub-section (2) is situated may exercise in respect of that branch or place of business any powers of audit and of inspection which he might exercise in respect of a co-operative society actually registered in that province.

4. Appointment and powers of Central Registrar of Co-operative Societies—(1) The Central Government may, if it thinks fit appoint a Central Registrar of Co-operative Societies.

(2) The Central Registrar of Co-operative Societies, if appointed shall exercise in respect of any co-operative society to which this Act applies, to the exclusion of provincial Registrar, the powers and functions exercisable by the Registrar of Co-operative Societies of the province in which such society is actually registered.

5. Penalty for failure to furnish information required under this Act.—If any co-operative society fails to furnish the information which it is required to furnish by or under sub-section (2) of section 2 or sub-section (2) of section 3, or to submit any return required to be submitted under either of those sub-sections, the society, and any officer or member of the society responsible for the failure, shall each be liable to fine which may extend to fifty rupees, and the registration of the society, at the discretion of the Registrar of Co-operative societies of the province in which the society is actually registered be cancelled.

"5A.* (1) Where by virtue of the provisions of part II of the States Reorganisation Act, 1956, any co-operative society which, immediately before the 1st day of November 1956, had its objects confined to one State becomes, as from that day multi-unit co-operative society, it shall be deemed to be a co-operative society to which

* Inserted under State Reorganisation Act 37 of 1956.

this Act applies and shall be deemed to be actually registered in the State in which the principal place of business of the co-operative society is situated.

(2) If it appears to the Central Registrar of Co-operative societies necessary or expedient that any such society should be reconstituted or reorganised in any manner or that it should be dissolved, the Central Registrar may, with the approval of the Central Government, place before a meeting of the general body of the society held in such a manner as may be prescribed by rules made under this Act, a scheme for the reconstitution, reorganisation or dissolution of the society, including proposals regarding the formation of new Co-operative societies and the transfer thereto of the assets and liabilities of that society.

(3) If the scheme is sanctioned by a resolution passed by a majority of the members present at the said meeting, either without modifications or with modifications to which the Central Registrar agrees, he shall certify the scheme and upon such certification, the scheme shall, notwithstanding anything to the contrary contained in any law, regulation or bye-law for the time being in force, be binding on all the societies affected by the scheme, as well as the share-holders and creditors of all such societies.

(4) If the scheme is not sanctioned under subsection (3), the Central Registrar may refer the scheme to such Judge of the appropriate High Court as may be nominated in this behalf by the Chief Justice thereof, and the decision of that Judge in regard to the scheme shall be final and shall be binding on all the societies affected by the scheme as well as the share-holders and creditors of all such societies.

Explanation—In this sub-section "appropriate High Court" means the High Court within whose Jurisdiction the principal place of business of the Multi-Unit Co-operative Society is situated.

5B. The Central Government may, by notification in the Official Gazette, direct that any power or authority exercisable by the Central Registrar of Co-operative societies under this Act shall, in relation to such matters and subject to such conditions as may be specified in the direction, be exercisable also by such Registrar of Co-operative societies of a State or by such Officer subordinate to the Central Government or to a State Government as may be specified in the notification.

6. Power of the Central Government to make rules.—The Central Government may, by notification in the official Gazette, make rules for carrying into effect the provisions of this Act.

Office of the Registrar of
Co-operative Societies, Madras.
Dated 19—1—1957.

End. Rc. No. 226640/56B.

Copy communicated.

(Sd.) U. K. ABDUL KHADIR,
For Registrar.

MILK CO-OPERATIVES—SUPPLY OF MILK TO PUBLIC INSTITUTIONS—TENDER SYSTEM.

Copy of Department of Industries, Labour and Co-operation G.O. Ms. No. 5112 dated 4-12-'56.

Co-operative Milk Supply Unions and Societies—Supply of milk to Government Institutions by Co-operative Milk Supply Unions and Societies—Tender System—Preference to Co-operatives—Orders passed.

READ :—G.O. Ms. No. 590, Health dated 14-2-'55.
G.O. Ms. No. 1514, Home dated 31-8-'56.

From the Registrar of Co-operative Societies, No. Rc. 24929/55. T. dated 18-2-'56.

From the Director of Medical Services No. 11270-A2.55-7 dated 30 4 '56

From the Inspector General of Prisons No. 4 A4-56, dated 23-4-'56.

ORDER :

In supersession of all the previous orders, the Government direct that in the matter of acceptance of tenders for the supply of milk to Jails, Borstal School, Certified Schools, Vigilence Institutions and Government Medical Institutions preference should be given to the Co-operative Milk Supply unions and societies. If their tendered rates is within the margin of $7\frac{1}{2}$ per cent over the market rate or the lowest tendered rate, whichever is less subject to the condition that the rate paid to the Co operatives together with the $7\frac{1}{2}$ per cent margin should not exceed the retail rate charged by the Co operatives to the General Public. In calculating the margin those tenders where (in the opinion of the authority competent to accept tenders), obviously unworkable rates have been quoted should be ignored.

(True Copy)

Office of the Registrar of
Endt. D. 24929/55, T. Co-operative Societies, Madras,
Dated 16-12-'56.

Copy Communicated.

LARGE-SIZED SOCIETIES—B CLASS MEMBERS—PRESIDENT'S POWER TO ADMIT.

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

Rc. 166947/56 A.2. Dated 1-11-'56.

SUB: Rural Co-operative Banks and Agricultural Co-operative Banks—Admission of B class members by the President of the Bank—Proposal—accepted—instructions—issued.

1. According to the existing model by-law No. 6 of the Rural Co-operative Bank as also of the Agricultural Co-operative Banks the authority competent to admit members into the bank is the Board of Directors. It has been suggested that the President of the bank may be permitted to admit B class members and that the admission of A class members alone may be done by the Board of Directors. The Registrar accepts this proposal and suggests the following amendment to the model by-law No. 6 of the existing rural co-operative banks and model by-law No. 6 of Agricultural co-operative banks.

"Application for admission as members and for allotment of shares shall be made to the Secretary. Every application for admission as A class members shall be disposed of by the Board of Directors which shall have power to grant admission or refuse it without assigning reasons. Applications for admissions as B class members shall be disposed of by the President, who may either grant admission as B, class member or refuse it without assigning reasons. All applications for B class membership disposed of by the President shall be placed before the Board of Directors at their next meeting for ratification.".

2. The Deputy Registrars on general duty and the Special Deputy Registrars for Credit and Marketing are requested to communicate the above amendment to all rural co-operative banks and agricultural co-operative banks for adoption.

A. HIRUDAYASWAMY,
For Registrar.

CO-OPERATIVE CENTRAL BANKS—LOAN APPLICATIONS BY CIRCULATION—CONSIDERATION OF

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

Rc. 187418/56-A. 1. Dated 1-11-'56.

SUB: Co-operative Central Banks—Consideration of loan application in circulation—Instructions isued.

REF: Registrar's Circular Rc. 2329/41-A dated 18-1-'42.

In para 2 of the Registrar's circular cited, the desirability of sanctioning loan applications from societies in meetings of the Executive Committee was pointed out and the Central banks were requested to amend their by-laws suitably. On a representation received from some of the central banks the suggestion to amend the by-laws was not, however, pressed. But of late, it has been observed that there is a tendency among some of the central banks to sanction loan applications more in circulation than in meetings of the Executive Committee. In fact, in one of the central banks all the loan applications were sanctioned in circulation during the half-year ended 30-6-'56. The Registrar considers that such a procedure of sanctioning all loans in circulation is not desirable. Unless the loan applications are considered at the meetings of the Executive Committee, there will be no opportunity for the members of that Committee to discuss the merits of each case before sanctioning the loans. Sanction of loan applications in circulation may be resorted to only in really emergent cases. It may be argued that if the loan applications are to be considered by the Executive Committee in its meetings, sanction of loans is likely to be delayed. Such delays can be avoided if the Executive Committee meets twice a month as is being done in some of the central banks. All the central banks are therefore requested to discontinue the practice of sanctioning loans to societies by circulation. The rule should be that all loans should be sanctioned only in meetings of the Executive Commitees of central banks. Sanction of loans by circulation among the members of the Executive Committee should be resorted to only in exceptional cases, where it may not be possible for the Executive Committee to meet and the loan is required very urgently. But such occasions should be very rare. All the Central banks are requested to follow the above procedure.

A. PALANIAPPAN,
Registrar.

WEAVERS' CO-OPS.—HANDLING OF CASH—INSTRUCTIONS

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

D. Dis. 59126/56-K. 2. Dated 8-11-1956.

SUB:—Weavers' Co-operative Societies—Handling of Cash—Fixing of responsibility—Framing of rules and amendments to by-laws—Instructions issued.

Of late, several cases of misappropriation of funds of the weavers' co-operative societies are brought to the notice of the Registrar, but successful prosecution cannot be launched because the delinquent, who is generally the Manager or Cashier cannot be held responsible in the absence of subsidiary regulations or resolutions fixing the duties and responsibilities of the office-bearers.

2. According to by-law 23(1)(a) of the model by-laws of weavers' co-operative societies, the President shall have a general control over all the affairs of the society and shall ex-officio be the treasurer and shall have the custody of all the properties of the society. No option is therefore left to the President to entrust the properties to the paid employees of the society and therefore subsidiary regulations making provisions for the entrustment of cash and other properties with the paid employees of the society and also to keep the cash balance under the double lock system are not in accordance with the existing by-laws. In order to frame suitable subsidiary regulations the main by-law itself has to be modified, empowering the Board of Directors to frame suitable subsidiary regulations for entrusting cash and other properties to the paid employees.

3. Again, according to by-law 25, receipts shall be issued for all moneys paid to the society and for moneys paid by members the receipt shall be signed by the President or the Secretary or the Manager, whoever is selected by the Board of Directors to discharge this function. But generally it is found that no resolution is passed authorising the Secretary or the Manager to receive cash and issue

receipts. With the increase in business, it is really difficult for the Presidents to manage heavy cash balance and large stocks by themselves and they entrust them to the paid employees-manager or cashier without provision in the by laws. This helps the managers or cashiers to misappropriate the funds of the society and to escape prosecution also.

4. With a view to prevent fraud in weavers' co-operatives and to book the offenders successfully, the Registrar desires that the duties and responsibilities of the President, the Manager and the cashier are made clear so that the delinquents cannot escape prosecution. These points have been examined in consultation with the Deputy Registrars and the draft amendments to by-law 23 of the model by-laws of Weavers Co-operative Societies and the draft regulations to be framed by the Board of Directors under by-law 29 defining the duties and responsibilities of the various office-bearers of the society as evolved by the Registrar are furnished in the Annexure. The Deputy Registrars are requested to advise the weavers co-operative societies to adopt the by-laws and see that the chances of delinquents escaping prosecution are minimised. The special staff should be made responsible for the adoption of these by-laws by the weavers co-operative societies.

G. RAMACHANDRAN,
For Registrar.

ANNEXURE

By-laws as existing	Amendment as suggested
By-law No. 23 (1)	*By-law 23 (1)*
Subject to such resolutions as the Board of Directors may from time to time pass, the several officers of the society shall have the powers mentioned below :	
(a) The President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment but this shall be subject to the approval of the Madras State Handloom Weavers' Co-operative Society, Limited.	(a) The President shall have a general control over all the affairs of the society and shall ex-officio be the treasurer jointly with the paid secretary Manager. He shall also have power to appoint the members of the establishment but this shall be subject to the approval of the Madras State Handloom Weavers Co-operative Society Ltd.

By-laws as existing	Amendment as suggested
(b) The President and the Vice-President, and in the absence of any of them, the one who is present and any other director who is authorised in this behalf by a resolution of the Board shall sign, endorse and negotiate cheques and other instruments on behalf of the society.	(b) The President and the Vice-President and in the absence of any of them the one who is present and any other director who is authorised in this behalf by a resolution of the Board shall sign, endorse and negotiate cheques and other instruments on behalf of the society.
(c) The Secretary shall be responsible for the executive administration of the society subject to the control of the President.	(c) The Secretary shall be responsible for the executive administration of the society subject to the control of the President.
(d) The Secretary/President shall be the officer to sued or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the Secretary/President.	(d) The Secretary/President shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the Secretary/President.
(e) Should the Secretary require relief from work, it shall be competent to the President to grant such relief making suitable arrangement for the conduct of work by one or more of the members of the Board of Directors.	(e) Should the Secretary require relief from work it shall be competent to the President to grant such relief making suitable arrangement for the conduct of work by one or more of the members of the Board of Directors.
	(f) The paid Secretary or Manager of the Society shall have the custody of all the properties of the society and shall have joint custody of cash along with the President.
(2) The conditions of service of the paid officers and servants of the society and the procedure to be followed in the disposal of disciplinary cases against them shall be governed by the special by-laws in Appendix I to these by-laws.	(2) The conditions of service of the paid officers and servants of the society and the procedure to be followed in the disposal of disciplinary cases against them shall be governed by the special by-laws in Appendix I to these bylaws.
	(3) The Board of Directors shall frame suitable regulations defining the duties and responsibilities of the office bearers and establishment in respect of the custody of cash and other properties of the society.

Draft regulations to be framed by the Board of Directors under by-law 29 defining the duties and responsibilities of the various office bearers of the Society.

1. *President*. The President shall be the treasurer of the society jointly with the paid Secretary or the Manager. At the end of each day's transactions, he will receive the cash from the paid Secretary or Manager as per rough chitta maintained acknowledging the receipt of the cash in the chitta itself. The cash balance shall be in the society's iron safe or other safe receptacle under double lock, one key of which shall be with the President and the other with the paid Secretary or the Manager. At the beginning of each day the President shall issue such amounts as may be necessary to the paid Secretary or Manager to meet the day's transaction and get his acknowledgement in the register maintained for the purpose. The register should contain particulars such as date, time and amount, name of the employee to whom the cash balance was handed over, purpose, signature of the person who received the cash, date and time of returning the cash back to the President and signature of the President.

2. *Paid Secretary or Manager*. He shall be in charge of cash jointly with the President and the other properties of the society jointly with the members of the establishment to whom they are actually entrusted as decided by the Board. He shall maintain chitta and shall be responsible for the receipts for the monies paid into the society and make payments on proper vouchers. At the beginning of each day, he will receive from the President the cash required to meet the day's transaction acknowledging the receipt of the amount in the register maintained for the purpose. At the end of each day he shall close the chitta under his signature and produce the receipt, vouchers and cash as per chitta to the President and get his (President's) acknowledgement in the chitta itself for the receipt of cash. The cash shall be kept in the society's iron safe under double lock, one key of which shall be with the President and the other with the paid Secretary/Manager.

The paid Secretary or the Manager shall be in charge of all the other properties of the society jointly with the members of the establishment to whom they are entrusted by the Board subject to such regulations as may be framed by the Board fixing the duties and responsibilities of the establishment for the custody of stock of yarn and other raw materials and finished goods. He shall be responsible for the proper maintenance of all the prescribed registers and shall check the registers with reference to the receipts and issues or sales, prepare monthly stock statement and verify the actual stocks with the book stock and place the results of such verification before the Board for further action.

In the absence of the President and the Vice-President, any director authorised by the Board may attend to the duties of the President. In the absence of the Secretary or Manager one of the directors or members of the paid establishment selected in this behalf by the Board of Directors will attend to the duties of the Secretary or Manager.

Forwarded/By Order,

G. RAMACHANDRAN,
For Registrar.

AGRICULTURAL BANKS—WORKING—SUGGESTIONS

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

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

R.C. 188857/56-A.2 Dated 13-11-1956.

SUB: Scheme of Integrated Rural Credit—Formation of large-sized societies known as Agricultural Co-operative Banks —Working of agricultural co-operative banks—Certain suggestions—Instructions—Issued.

REF: Registrar's memorandum No. R. C. 126602/56 A-2, dated 28-9-1956.

1. It is presumed that necessary steps have been taken by the Special Deputy Registrars for credit and marketing and the Deputy Registrars on general duty for the registration of the co-operative agricultural banks as already instructed in the Registrar's memorandum cited. The following instructions are now issued regarding the working of the agricultural banks.

(i) Each agricultural bank should so increase its membership in 1956-57 that by 30th June 1957, it would enroll at least 50 per cent of the rural population in terms of families in its area of operations. The Special Deputy Registrars for credit and marketing are therefore requested to see that the agricultural banks institute a special drive for enrolling as members as many ryots as possible in order to enable them to bring into their fold, by 30-6-1957, at least 50 per cent of the families in their respcctive area, whether the members borrow or not.

(ii) Each agricultural bank should, in the first year of its working, issue loans to its members to the tune of at least Rs. 1½ to Rs. 2 lakhs or to the extent of at least 50 per cent over the loans issued by the amalgamated rural credit societies in the previous year, whichever is more.

(iii) The agricultural banks can issue loans on the pledge of produce, to their members, in accordance with the provisions made therefor in their by-laws. As a rule, the agricultural banks should also arrange for the marketing of the produce of their members, through the nearest co-operative marketing society, to which they are affiliated.

(iv) The agricultural banks should function as effective instruments for mobilising rural savings. They should therefore encourage the system of chit funds, savings deposits, home-safe deposits, recurring deposits etc. for which provision has been made in their by-laws. The Special Deputy Registrars for credit and marketing are requested to see to this.

(v) The agricultural banks should not confine their activities to the supply of credit to their members. They should as provided in their by-laws, undertake the purchase and supply of all agricultural requisites such as agricultural implements, seeds, fertilisers, etc. to their members.

The Special Deputy Registrars for credit and marketing and the Deputy Registrars on general duty in districts where the Special Deputy Registrars for credit and marketing have not joined duty, are requested to see that the above suggestions are effectively implemented in all the agricultural banks formed in their respective areas. They should draw up programme of work for each agricultural bank for the years 1956-57 and 1957-58 fixing quarterly targets on the basis indicated above, such as number of members to be admitted, paid up share capital to be collected, loans to be issued, deposits to be tapped etc. and submit a copy thereof to this office as early as possible.

2. In the model by-laws of agricultural co-operative banks, a transitory by-law under by-law No. 19, has been made for the nomination of the first set of Directors by the Registrar. But, the adoption of this transitory by-law is optional. Hence, the question whether this transitory by-law should be adopted or only provision for the election of Directors should be adopted, may be decided by

the Special Deputy Registrars (Credit and Marketing) themeselves, with reference to local conditions and circumstances.

3. According to by-law No. 21 of the by-laws of Co operative Agricultural Banks, the Board of Directors of the bank should meet atleast once a fortnight or oftener if necessary to conduct the affairs of the bank. The Registrar desires that the agricultural banks should strictly adhere to this provision and convence meetings of their Board of directors once a fortnight without fail. The special Deputy Registrars for Credit and Marketing should issue suitable instructions in this regard to all agricultural banks in their area.

4. In the Registrar's memorandum L. Dis. 186589/56. A2 date 23-10-1956, the Deputy Registrars on general duty have been asked to complete the final audit for 1955-56 of all the societies to be amalgamated, immediately and issue the audit certificates before the amalgamation comes into effect. These orders should be carried out atonce. The special Deputy Registrars for Credit and Marketing should intimate the circle Deputy Registrars the date upto which the balance sheets of the societies proposed to be amalgamated are required and the circle Deputy Registrars should arrange for the preparation of the balance sheet by the auditors concerned and furnish them to the Special Deputy Registrars.

5. By-law 20 (iv) of the agricultural banks provided for the appointment of a paid seceretary. The managerial staff including the paid secretary should be appointed only from the date of registration of the agricultural banks. The agricultural banks will be eligible for a subsidy not exceeding Rs. 100 per mensem in the First Year of their working towards the cost of their paid secretary. In view of this provision, it is suggested that a senior and experienced supervisor of the central bank may be posted as the paid secretary of each agricultural bank. The Special Deputy Registrars for Credit and Marketing are requested to advise the agricultural co-operative banks in their jurisdiction to go in for the services of a Senior supervisor of the central bank to work as their secretary with effect from the date of their registration and the central co-operative banks are requested to depute promptly a senior and experienced supervisor to each agricultural bank in its area to work as its paid secretary, so that he can take charge of his post on the date of registration of the bank.

6. The Agricultural Co operative Banks are only Primary Agricultural Credit Societies. Hence, the same procedure as now follwed by the Central Banks in regard to the sanction of loans, collection of loans etc. in the case of the rural credit societies should be applied and followed in the case of the agricultural co-operative banks also. The agricultural co-operative banks should be affiliated to the local co-operative supervising union and thieir loan applications sent through the supervising union and recommded by the committee of the Union to the central co-operative bank concerned.

7. The existing rural co-operative banks should also be got affiliated to the local supervising unions and their loan applications should be sent through the supervising union concerned, as already instructed in the Registrar's circular R. C. 127022/55 A. dated 16-10-1956.

Superintendent.

CENTRAL LAND MORTGAGE BANK—T.A.—PAYMENT

Proceedings of the Registrar of Co-operative Societies, Madras

SRI A. PALANIAPPA MUDALIAR, M.A.,

Registrar.

Rc. 109215/53-J Dated: 18–11–1956.

SUB: Central Land Mortgage Bank—Payment of Travelling Allowance and sitting fees to Directors—Rates—Form of Travelling Allowance Bill, etc.—Prescribed.

READ: 1. G.O. Ms. 75 (Industries, Labour and Co-operation dated 16-1-1955.

2. Letters Rc. 3740/55-56, dated 15-12-1955 and 24-8-1956 of Central Land Mortgage Bank.

3. Letters Rc. 18174/53 S, dated 12-7-1955 and 9-6-1956 of the Deputy Registrar, Madras.

ORDER:

Under Rule XXVIII-A of the Rules framed under the Madras Co-operative Societies Act VI of 1932, the Registrar of Co-operative Societies, prescribes the following rates of travelling allowance, daily allowance and sitting fees payable to directors and such other members of the Madras Co-operative Central Land Mortgage Bank for journeys undertaken by them in connection with the business of the Bank as laid down in that rule.

(i) Railway Journey	...	Two single I class fare by the shortest route each way.
(ii) Road Journey	...	Eight annas per mile to the nearest railway station from the usual place of residence.
(iii) Daily allowance	...	Rs. 10 per diem.
(iv) Sitting fees	...	Rs. 10 per meeting.

2. The Registrar also prescribes that the following travelling allowance bill form shall be adopted by the Bank for the use of the directors.

THE MADRAS CO-OPERATIVE CENTRAL LAND MORTGAGE BANK LTD.

Luz, Mylapore, Madras.

Travelling allowance bill of Sri

Purpose of journey.

By Rail.

Date and hour Departure.	From Arrival	To	The Class in which the Railway journey was performed.

No. of Railway fares claimed ... Rs.

By Road.

Date and hour Departure.	Arrival	From	To

No. of miles travelled at 8 annas per mile Rs.

Total Rs.

I certify that for the Railway journeys included in the bill, I travelled by the 1st class for which the Railway fares are claimed.

I further certify that I have not claimed travelling allowance for the journey covered by this bill from any other Co-operative Institutions.

Signature

Dated: ———

Address.

Received from the Secretary, the Madras Co-operative Central Land Mortgage Bank Ltd.

Signature and Date.

NOTE: (i) When a member travels in a lower class in the journey he is entitled to claim the actual fare paid by him plus one extra fare of the class to which he is entitled.

(ii) When a member travels by road for the entire journey he shall be paid only mileage subject to the maximum of two railway fares to which he is entitled.

(iii) When a member is paid daily allowance, he is not entitled to claim sitting fees for the same day.

(By Order)

Manager.

CO-OP. CENTRAL BANKS—PAYMENT OF T. A.

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

Rc. No. 22187/55 A. 1 Dated 23-11-1956.

SUB: Co-operative Central Banks—Payment of Travelling Allowance etc. to the members of committees—Rule XXVIII-A—Maximum rates—Fixed.

ORDER:

Under sub-rule (v) of Rule XXVIII-A of the rules framed under the Madras Co-operative Societies Act VI of 1932, the Registrar of Co-operative Societies is pleased to fix the following maximum rates of travelling allowance, daily allowance or sitting fees etc. for payment by co-operative central banks to their members for attending meetings of other societies as contemplated in sub rule (1) of Rule XXVIII-A and to the members of their committees for attending meetings etc. as contemplated in sub-rules (ii) and (iii) of the same rule.

1. Railway fare—Single 1st class fare for each journey.
2. Mileage—Four annas per mile for places not connected by rail.
3. Daily Allowance—Rs. 6 per day where no sitting fee is paid.
4. Sitting fees—Rs. 6 for a meeting subject to the above maximum rates.

The Co-operative Central Banks may fix their own rates of Railway fare, Mileage, Daily allowance or sitting fees consistent with their financial resources and include such rates in their by-laws.

2. The Registrar prescribes the form enclosed, for the bill for claiming the travelling allowance of the members or of the members of the committees of the co-operative central banks for journeys performed by them for attending meetings or other butiness of the Banks.

(By Order)

K. V. SUBBARAYAN,
Manager.

ANNEXURE

The Co-operative Central Bank, Ltd.,

No. Travelling Allowance Bill of Sri

for attending the meeting of the Board of Management/Executive Committee held on

Date	From	To	No. of miles travelled.	Railway fare		Road Jonrney		Total Amount.
				Class	Amount	Rate	Amount	

Daily allowance or sitting fees at Rs. on

Total amount claimed

(Rupees)

I certify that I have not claimed travelling allowance the journey covered by this bill from any other co operative institution or Government.

Date

Signature

Designation

Passed for payment Rs. (Rupees)

President/Secretary.

Received Rs. (Rupees) in settlement of the above bill.

(Signature)

CO-OP. AGRICULTURAL BANKS—NON-CREDIT FUNCTIONS—INSTRUCTIONS

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

L. Dis. 200054/56-A.2 Dated 29-11-1956

SUB: Co-operative Agricultural Banks—Undertaking of extra-credit activities—Instructions—Issued.

1. Though the principal objects of the Co-operative Agricultural Banks (large-sized societies) are to supply short-term and medium-term credit to their members for purposes mentioned in their by-laws and to mobilize and pool rural savings by tapping deposits of various kind from members and non-members, the agricultural banks should also undertake such extra credit activities as the purchase and distribution of agricultural implements, fertilisers, etc. and the domestic requirements of members. In this connection, the attention of the Special Deputy Registrars for Credit and Marketing and the Deputy Registrars on general duty is drawn to clause (b) of by law No. 2 of the agricultural banks wherein the procurement and supply of agricultural requirements, cottage industries, requirements like raw-materials, appliances etc. and domestic requirements have been included within the normal objects of the agricultural banks. The Registrar desires that the agricultural banks should not confine their activities merely to the supply of credit to their members but should also undertake these extra credit activities designed to benefit the agriculturists. They should, in particular, arrange to supply on a large scale, the agricultural requirements of members like seed, manure, implements, cattle-feed etc. and the domestic requirements of members in accordance with the provisions of their by-law No. 53.

2. In addition to the supply of agricultural requirements and domestic requirements of members, the agricultural bank should also as provided in their by-law No. 2 (g) purchase or obtain on lease, lands and undertake with the help and advice of the local officers of the Agricultural Department the running of demonstration plots so as to import to their members a knowledge of the latest improvements in agriculture, especially in the method of cultivation and the means of achieving increased yield from lands. These extra-credit activities will enable them to draw into their clientele a larger section of the agricultural community and serve as really effective agencies for promoting the economic welfare of their agriculturist members.

3. The Special Deputy Registrars for credit and marketing and the Deputy Registrars on general duty in charge of agricultural banks are requested to issue suitable instructions accordingly to all agricultural banks in their area and see that the agricultural banks undertake and develop the activities mentioned above, on sound lines. They should make a reference to the progress made by the agricultural banks in this behalf, in their future monthly D. O. narrative report.

A. PALANIAPPAN,
Registrar.

AGRICULTURAL BANKS—AMENDMENTS TO BY-LAWS

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

Rc. No. 66288/56 A.2 Dated 3-12-1956

SUB: Scheme of Integrated Rural Credit—Agricultural Co-operative Banks—Amendments to the by-laws of Agricultural co-operative banks.

1. According to by-law No. 19 (i) of the by laws of Co-operative Agricultural Banks, (large-sized societies) the Board of Directors of the Bank shall consist of a nominee of the State Government in addition to a nominee of the financing bank and other members elected by the general body. In by-law No. 34 of the banks, provision has been made for the nominee of the State Government on the Board of Directors to attend the general body meeting of the bank and vote except in elections. The Registrar has been advised that in order to enable the nominee of the Government to attend and vote at the general body meetings of the agricultural banks, there should be a provision in the by-laws of the banks that such nominee shall be considered as a member of the bank for the purpose. Accordingly, the following provision is suggested for adoption by all co operative agricultural banks in their by laws :—

" Add the following note after sub-clause (a) of Clause (1) of by-law No. 5 of agricultural banks:—

NOTE:—Notwithstanding anything contained in these by laws, the nominee of the State Government on the Board of Directors of the bank shall be deemed to be a member of the bank for attending and voting at the meetings of the general body of the bank.

2. The Special Deputy Registrar for Credit and Marketing and the Deputy Registrars on general duty are requested to see that the provision suggested above is adopted by all large-sized societies in their areas as quickly as possible.

A. PALANIAPPAN,
Registrar.

RURAL CO OP. BANKS—JEWEL LOANS—REGARDING

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

D. Dis. 25236/56-A. 2. Dated 3-12-1956.

SUB: Rural Co-operative Banks—Issue of Jewel loans—Piecemeal redemption of jewels—permitted—Instructions—Issued.

1. Recently, the Deputy Registrar of Co operative Societies Tirunelveli raised the question whether rural co-operative banks could be permitted to allow piecemeal redemption of the jewels pledged to them for loans taken by their members. The Registrar after examining the question referred it to the Madras State Co-operative Bank for consideration by the conference of Central Banks. The 28th session of the conference of central banks held in July 56, considered the question and suggested that the rural co-operative banks might be permitted to allow partial release of the jewels pledged with them for loans subject to their adoption of the following provision in their by-laws:

> " When a number of jewels are pledged and when they have been valued separately, the President may permit the release of any jewel or jewels, if a portion of the loan is paid and if the balance of the remaining jewels is sufficient to cover the balance outstanding as required under by-law No. 44 (4) (a). But the President shall have power to refuse such a request if he thinks it necessary."

2. The Registrar accepts the above resolution of the Central Banks Conference. Such of the rural co-operative banks and agricultural co-operative banks as desire to have provision for partial release of the jewels pledged with them for loans taken by their members, may adopt the above provisions at the end of their by-law model by-law 44(4) (a) and (44) (b) (1) respectively.

3. The Deputy Registrars on general duty and the Special Deputy Registrar for Credit and Marketing, are requested to issue suitable instructions in the matter to the rural co-operative banks and agricultural co-operative banks in their respective jurisdiction.

A. PALANIAPPAN,
Registrar.

RURAL CREDIT SOCIETIES—BY-LAW No. 60 (b) HONORARIUM—REVISION OF

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

Rc 184005/55 B. Dated 5-12-'56.

SUB: Co-operative Societies—Rural Credit Societies—Honorarium payable to Panchayatdars under by-laws 60 (b) revision—amendment to by-law.

REF: Registrar's Circular Rc. 184005/55-B dated 30-10-'56.

In the Registrar's circular cited, the Deputy Registrars were asked to bring the instructions issued therein to the notice of all Rural Credit Societies in their jurisdiction and to see that the Rural Credit Societies adopt the amendment to by-law 60 B, at an early date. In the place of the existing by law 60-B, of the by-laws of Rural Credit Societies, the following by-law is suggested for adoption :—

By-Law 60-B :—It shall be competent to the panchayat to entrust the day-to-day work connected with any non-credit business undertaken by the society to any one of the panchayatdars selected by it for the purpose and to pay him such remuneration as it may deem fit at the rate of 1 per cent per annum on the total turnover under the non credit business subject to a maximum of Rs. 150.

The Deputy Registrars are requested to see that the Rural Credit Societies adopt the amendment to by-law 60-B, as suggested above.

A. PALANIAPPAN,
Registrar.

CO-OP. CENTRAL BANKS—GRANT OF LOANS TO AGRICULTURAL CREDIT SOCIETIES

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

Rc. 170461/55 A. 1. Dated 11-12-'56.

SUB:—Central Co-operative Banks—Grant of loans to agricultural credit societies—Relaxation of certain conditions etc.

REF:—1. Registrar's circular Rc. 74891/55-A, dated 5-12-'55.
2. Registrar's circular Rc. 74891/55-A, dated 8-3-'56.
3. Letter dated 30-10-'56 from the Madras State Co-operative Bank Limited.

In the Registrar's circulars cited above, detailed instructions were issued to the Central Banks regarding the observance of certain regulations in the matter of financing agricultural credit societies on unlimited liability basis. One of the conditions to be observed by the Central Bank is that the society should not ordinarily be in arrears to the Central Bank in excess of 25 per cent of the loans outstanding against it. It has been represented by some of the Central Banks that even with the relaxation permitted in the Registrar's circular cited as item 2, it may not be possible to finance certain deserving societies for the reason that the overdues to the Central Bank were in excess of 25 per cent of the loans due by them. For instance in a society where the entire amount due to the Central Bank is overdue on account of the fact that the loans outstanding against a few members are completely overdue, it has not been possible for the Central Bank to advance new loans to such society to enable it to finance new members and non defaulting members. The question of relaxing this condition has been examined by the Registrar in consultation with the Madras State Co-operative Bank.

2. The Board of management of the Madras State Co-operative Bank has agreed to the proposal of the Registrar to relax the condition and to allow the Central Banks to finance deserving societies having overdues exceeding 25 per cent of the loans due by them to the Central Bank. While agreeing to this proposal for relaxation, the Board of Management of the Madras State Co-operative Bank has suggested that in the matter of financing such societies, the Central Banks should satisfy themselves about the

general financial position of the societies and the action taken for realisation, of overdues and for this purpose it has suggested that the collection of certain statistical particulars from the societies concerned. A copy of the letter of the Madras State Co-operative Bank is enclosed for the information of the Central Banks.

3. In view of the representations made by the Central Banks to follow a progressive policy in the matter of financing agricultural credit societies in the present context of expansion of the agricultural credit movement in the State, the Registrar has no objection to the Central Banks financing societies having overdues in excess of 25 per cent of the loans due by them. The Central Banks are requested to observe the safeguards suggested by the Madras State Co-operative Bank in the matter of financing such societies. They are also requested to note that the relaxation of certain conditions and restrictions permitted already and now in this circular does not necessarily mean that they can issue loans to all the societies irrespective of all other local conditions. As financing agencies it is always open to them to satisfy themselves about the financial and other aspects of each applicant society before sanctioning loans. The Registrar desires to impress on all the Central Banks that their loan policy should be consistent not only with the safety of the funds lent but also with the changing conditions of the agricultural economy in the country and with the schemes of expension undertaken by them.

A. PALANIAPPAN
Registrar.

Copy of letter No. Nil dated 30th October 1956 from the Madras State Co-operative Bank Limited, Madras to the Registrar of Co-operative Societies, Madras.

SUB: Co.operative Central Banks—Issue of loans to societies having overdues of more than 25 per cent to the Central Bank—relaxation of condition.

REF: Your R.C. 170461/55-A, dated 23-5-56.

The Board of Management considered the subject at their meeting held on the 27th instant and agreed to the suggestion contained in your reference above cited.

As regards the safeguards to be observed, the Board considered that the Central Banks should satisfy themselves about the general financial position of the societies and the action taken for realisation

of overdues for which purpose the central banks might usefully collect data as follows.

1. Classification of overdues according to their duration.
2. Details of action taken for collection of overdues e.g.,
   (a) Amount for which notices have been issued.
   (b) Amount for which arbitration has been filed.
   (c) Amount for which awards have been obtained.
   (d) Amount for which execution proceedings are taken and progress of collection.
   (e) Amount not covered by any action.
3. General financial position of society.

(a) Profit or loss (b) share capital of which invested in Central Bank (c) Reserve Fund of which invested in Central Bank (d) Estimated bad debt (e) Bad Debt reserve if any and how invested (f) other assets like lands building etc., and (g) net assets of non-borrowers.

If the above particulars obtained from a society are satisfactory and inasmuch as generally loans will be given for new and non-defaulting old members, there does not appear to be any need for restricting fresh finance except subject to the maximum borrowing power of the society.

(True Copy)

INSTRUCTIONS REGARDING ACCOUNTING PROCEDURE TO BE FOLLOWED UNDER DECIMAL COINAGE SYSTEM

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

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

Rc. 42355/57 Q. Dated 25-3-1957.

SUB: Decimal Coinage—maintenance of accounts in Co-operative institutions—instructions issued.

The decimal system of coinage will be introduced in India with effect from 1st April 1957. The old coins will, however be allowed to continue as legal lender for a period of three years and they will therefore be in circulation during that period. From 1st April 1957, Government Departments, Treasuries, Reserve Bank of India, their agency banks, Railways etc., will adopt the decimal system of accounts and the old coins will be accepted on decimal coinage basis. The Government of India have issued pamphlets containing ready reckoners for conversion of values in existing currency into decimal currency and these ready reckoners will be available in all book-shops.

2. The Reserve Bank of India has expressed the view that the Co-operative institutions might adopt the new system of coinage with effect from 1st April 1957. The Agricultural Credit Department of the Reserve Bank has prepared a note setting out broadly the nature of changes that would be necessary and the manner in which they should be adopted. A copy of the note is enclosed for the information and guidance of the State Co-operative Bank, all the Central Banks, The Madras Co-operative Central Land Mortgage Bank and all the District Wholesale Stores and the District Supply Marketing Societies. They are requested to follow the procedure indicated in the enclosed note to effect the change over to the new currency system.

3. It is considered that it will be desirable that detailed instructions are issued to all the Primary Societies in Tamil. All the Central Banks are requested to prepare a clear and concise note for the change over, print them and supply them to all the societies in Tamil setting out the procedure to be followed by the societies in the District. All the Central Banks are requested to make suitable arrangements in this behalf and issue necessary instructions to their supervisory staff to help the societies in effecting the change over. The Madras Co-operative Central Land Mortgage Bank is requested to issue necessary instructions to all the Primary Land Mortgage Banks.

4. The Madras State Co-operative Bank, the Madras Co-operative Central Land Mortgage Bank and all the Central Banks are requested to acknowledge receipt of this circular and send a report by 5-4-1957 on the action taken in the matter.

A. PALANIAPPAN,
Registrar.

DECIMAL COINAGE—SUGGESTED ACCOUNTING PROCEDURE

Introductory:

The decimal system of coinage will be introduced in India with effect from the 1st April 1957. In terms of the Indian Coinage (Amendment) Act, 1955, which has been enacted to introduce the system, the Rupee will be divided into 100 uuits, the unit coin being designated Naya Paisa. The denominations of coins under the decimal system will be as given :—

1 Naye Paise
2 Naye Paise
5 Naye Paise
10 Naye Paise
25 Naye Paise
50 Naye Paise
100 Naye Paise (or one Rupee)

To begin with, only coins of the denominations of 10 Naye Paise and under will be issued and these will circulate as legal tender side by side with coins of 2 annas and below until the latter are demonetised. The replacement of the existing quarter, half and one Rupee coins, which are respectively equivalent in value to the 25, 50 and 100 Naye Paise coins under the decimal system, will be taken up gradually.

For expressing amounts in the new coinage, the following standard method should ordinarily be adopted :—

(i) Thirty five Naye Paise	as	Re. 0.35
(ii) Rupees sixty five only	as	Rs. 65.00
(iii) Rupees seventy and nine Naye Paise	as	Rs. 70.09 (and not Rs. 70.9)
(iv) Rupees thirty five and fifty Naye Paise	as	Rs. 35.50 (and not Rs. 35.5
(v) Rupees eighty two and thirteen Naye Paise	as	Rs. 82.13

NOTE :—(a) similar method should be adopted while posting amounts in registers, forms etc., providing for separate columns for rupees and Naye paise, e.g., in posting an amount of Rupeee Sixty and nine Naye Paise, 60 will have to be entered in the Rs. column and 09 in the nP. colum.

(b) It would, howevcr, be advisable for convenience and clarity, when writing the amount in figures in cheques and paying-in-slips in Decimal currency to separate the Rupee amount from the Naya Paise amount by either an oblique (slanting) stroke or two horizontal lines, as follows:

(i) Re. 0/35 or Re. 0=35
(ii) Rs. 65/00 or Rs. 65=00

(iii) Rs. 70/09 or Rs. 70=09 (and not Rs, 70/9 or Rs. 70=9)
(iv) Rs. 35/50 or Rs. 35=50 (and not Rs. 35/5 or Rs. 35=5)
(v) Rs. 82/13 or Rs. 82=13

(c) In any case, Naya Paise amounts MUST ALWAYS be written in two digits, as illustrated above.

(d) The standard form of abbreviation for Naya Paise is 'nP' (Small 'n' and capital 'P')

2. Forms, Registers, etc:

In the case of banks and societies, which decide to adopt the new system of coinage for their accounting purposes as from the 1st April 1957, it will be necessary to maintain all accounts in Rupees and Naya Paise instead of in Rupees, Annas and Pies as at present. Accordingly, all books of accounts, forms etc. may have to be adopted to the new system as from the above date. The existing stocks of books, forms etc. need not, however, be discontinued. The book etc. in which the money column contains three sub-columns for recording the amount in Rupees, Annas and Pies, could be used so long as they last, the value in Naya Paise, being entered in the existing 'Annas' column and the 'Pies' column ignored. New Books and forms that may be printed for use after the 1st April 1957 may be provided with columns for recording values in Rupees and Naye Paise only.

3. Conversion Tables:

Copies of the pamphlet on decimal coinage issued by the Government of India can be had from Book sellers or direct from the Publications Division of the Ministry of Information and Broadcasting at a cost of As. 4 per copy. Appendices III and IV to the pamphlet contain ready reckoners for conversion of values in existing currency into decimal currency. The detailed ready reckoner in Appendix III gives the decimal equivalents of all values from one Pie to One rupee and will be useful for conversion of values involving odd Pies, such as book balances, amounts of bills etc. In the case of cash transactions, the fraction of the rupee amounts will mostly comprise Annas and multiples of 3 Pies (Pice), the pie coin having practically gone out of circulation, and it will, therefore, be more convenient in such cases to use the simplified reckoner given in Appendix IV. An important point to note about the use of the ready reckoners is that they cannot be applied to rates which are expressed in Annas and pies. In such cases, the total amount receivable or payable should be worked out at the existing rates and

the conversion table applied only to the total amount so arrived at, vide illustrations under 'Simplified Table of Equivalents' on page 15 of the pamphlet.

4. Conversion of Book Balances:

Where the new system of accounting is brought into effect from the 1st April 1957, it would be necessary to ensure that arrangements are made to convert all book balances as at the close of business on the last working day preceding the above date. For this purpose, after all the accounts as at the end of March 1957 have been posted in the General Ledger and summations taken and balanced as usual, a "Balance Account" may have to be drawn up as on the last working day of March 1957 by transfering all the debit and credit respectively of the "Balance Account" as is done at the annual closing of accounts. After the balances have heen transferred to the "Balance Account" in the aforesaid manner, the summations in the General Ledger should be ruled off. The balances should thereafter be duly converted in accordance with the ready reckoner and the converted balances brought forward, against the date 1—4—1957. The procedure to be followed would also be the same even if the new system is proposed to be adopted by any Bank at some later date.

While converting the constituents' accounts, it may happen that the aggregate of the new balances does not agree with the converted balance under the main head of account in the General Ledger. In such cases, the converted balances of the individual accounts may be adhered to and the General Ledger account balances may be suitably altered so as agree with the sum total of constituents' balances.

After all the General Ledger balances have been duly converted, a rough Trial Balance should be drawn up showing the position in Rupees and Naye Paise. As a result of the adjustment of the various individual balances in the General Ledger, the two sides of the Trial Balance may not agree. The difference could be adjusted by suitably changing to converted balances of one or more of the Income accounts so as to equalise the two sides of the Trial Bala nce After the Trial Balance is agreed in the above manner, the necessary consequential adjustments may be embodied in the General Ledger balances. After all the adjustments have been made and the Trial Balance agreed, the opening balances as on the 1st April 1957 should be inked out.

5. Booking on transactions on and after the 1st April 1957

In cases where it is decided to adopt the new accounting procedure as from the 1st April 1957, it would be necessary to notify all account holders that as from that date their accounts with the bank will be maintained in Rupees and Naye Paise. They may be instruted to draw cheques etc. on their accounts only in Rupees and Naye Paise as from that date. When cheques drawn after the 1st April 1957 in Rupees, Annas and Pies, as well as those issued prior to the appointed day, are tendered for payment or credit to account after that date, the amount may be converted into Rupees and Naye Paise in accordance with the ready reckoner and the coverted value written, preferably in red ink, below the amount in figures, all subsequent accounting being done on the basis of the converted value. Likewise, credits and debits pertaining to a date prior to the 1st April 1957 but taken into account on or after that date may be converted into decimal currency before they are booked.

As from the 1st April 1957, all transactions in the Clearing House should be settled in terms of Rupees and Naye Paise. In the case of instruments drawn in Rupees, Annas and Pies, the collecting banks should mark the decimal value below the amount in figures and list them for outward clearing in terms of the converted values.

6. Cash transactions.

The amounts in all pay-in-slips, chalans, bills etc. if expressed in Rupees, Annas and pies, may, as from the 1st April 1957, be converted into Rupee and Naye Paisa and the converted value entered in red below the amount in figures. All further accounting may be on the basis of the converted value indicated on the pay-in-slips etc.

Since the anna-pie coins will continue to be legal tender side by side with Naye Paise coins, cash may be tendered:—

(i) entirely in Naye Paise;

(ii) partly in Naye Paise and partly in Annas and pies, or

(iii) entirely in Annas and pies.

As there are no exact equivalents in the decimal series for coins of annas 2 and below, the accounting of receipts relating to items (ii) and (iii) above in terms of decimal currency will give rise to a gain or loss in some cases. Such gain/loss on conversion may be booked under a separate account. In order to arrive at the net amount of gain/loss as a result of the day's transactions, a subsidiary

register may be maintained for recording the amount received in Annas and Pies in each tender and its equivalent in decimal currency

I	II			III	
Serial No. of tender as appearing in the "Receipts Register"	Receipts in annas and pies coins			Equivalent of II	
	Rs.	As.	Ps.	Rs.	NP.

The amount as recorded in the pay-in-slips, chalans etc. will be entered in the Receipts Register in Rupees and Naye Paise. In cases where the amount is tendered entirely in decimal coins, no entries in the subsidiary register will be necessary; but where the money tendered is either wholly or partly in the existing coins, the amount of such coins may be entered in the subsidiary register, the second column being used for recording the Annas and Pies and the third colums for its equivalent in decimal coins as ascertained from the ready recknoner. At the end of the day, the totals of columns II and III of the subsidiary register will be struck. The difference between the total of column III and the converted value of the total of column II will represent the gain or loss on conversion of sums received in Annas and Pies. The gain/loss on conversion so arrived at may be credited/debited to the separate account opened for the purpose as stated earlier.

Since there is no objection to payments being made in existing coins, should the stocks of new coins run short, a record may be maintained in a subsidiary register on the pattern of the one mentioned above. The gain/loss on conversion on account of the issue of anna-pie coins will be worked out in the manner outlined above and entries passed for the net amount of gain/loss after taking into account the transaction as at the close of business each day.

7. Anna-pie coins being held as part of Cash Balances

Even if the accounts are maintained in Rupees and Naye Paise as from the 1st April 1157, there is no objection to anna-pie coins being held as part of the cash balance. The closing balance of the last working day preceding the appointed day may be converted into Rupees and Naye Paise and shown as such in the books but a subsidiary register showing the balance according to denominations should be maintained. Receipts in Annas and Pies on and after the above date may also be entered in the above register. The pooling of these coins day by day, may however, give rise to a further difference between the book balance and the converted value of the physical balance. Such differences, whenever they occur, will also have to be taken into account in arriving at gain/loss at the close of each day.

8. Exchange of Coins :

In cases where decimal coins are issued in cxchange for existing coins tendered by constituents etc., the exchanges should be effected in amounts of annas four or multiples thereof in order to obviate the element of gain or loss.

News and Notes

CO-OPERATIVE INSTRUCTORS' TRAINING CENTRE INAUGURATED

"Co-operation is a mode of life and there is no particular section of society, which cannot come within the co operative fold," said Mr. Krishan Chand, I.C.S., Joint Secretary (Co-operation), Ministry of Agriculture, Government of India, inaugurating the Co-operative Instructors' Training Centre organised by the All India Co-operative Union at Dohai, 16 miles from here. The organising of the Centre is an integral part of the Union's Scheme of Co-operative Education for non-official personnel of the Movement, which is to be implemented in 55 districts of various States during the current year.

Earlier Mr. B. J. Patel, Hony. General Secretary, All India Co-operative Union, welcoming the guests and trainees said, "Thanks to the co-operation of the Government and the helpful attitude of the officials, it has been possible for the Union to put into operation its Co-operative Education Scheme for non-officials of the Movement and to organize this Centre. I have come to the conclusion that the distinction between officials and non-officials in the co-operative sphere will soon be wiped out". Mr. Patel added that Mr. Krishan Chand's great understanding, encouragement and assistance was evidence of his faith in Co-operation. "I find it difficult to keep up with the pace he has set", said Mr. Patel.

Addressing the trainees, who have arrived from almost all the States of the Indian Union, Mr. Patel said "It is essential for you to have knowledge, faith and conviction of co-operative principles and co-operative philosophy if you are to undertake efficiently the education of members of co-operative societies and to make the Movement succeed".

Speaking in a humorous vein Mr. Krishan Chand, who earlier hoisted the Co-operative Flag, said that it was his privilege to inaugurate the Centre since his own Minister and the U. P. State Minister for Co-operation were 'busy with the elections'. "I am particularly happy at the opportunity to inaugurate this Centre not only because it comes within my sphere of work but because it is my conviction that more officials should devote themselves to rural reconstruction work".

Mr. Krishan Chand expressed the opinion that whether or not officials believed in the co operative philosophy, their attitude to the Movement and non-official efforts should be positive. This, he added was essential to promote non-official activity and efforts. The Co-operative Movement had been in existence for the last 50 years and there had been a Co-operative Department in every State in the past but one of the reasons why the Movement had not progressed was that non-officials had been denied the assistance due to them by the bureaucratic machinery.

But now Government is interested in speeding up the Co operative Movement as is evident from the statements of the Prime Minister and the Minister for Food and Agriculture. As an administrator Mr. Krishan Chand said, it was his duty to help promotion of the Movement particularly by assisting non official efforts.

Addressing the trainees he said, that Co-operation was a work of patience and in their work they should adopt the educative and not the bureaucratic approach. He emphasised the need of physical fitness, which was the greatest asset in rural work and impressed on them the necessity to cultivate the habit of making night halts in villages, which would create receptivity of mind among the villagers and make them feel they were one of them. He also exhorted them to create counterparts of themselves among other non-official workers at the Taluka and village levels and actively associate themselves with them in what they were doing.

Mr. B J. Patel finally thanked Mr. Krishan Chand, the Government of India and the Government of Uttar Pradesh for not merely lending the service of Mr. S S. Tyagi of the Planning, Research and Action Institute, Lucknow, to direct the Centre but also for placing at the disposal of the Union the necessary accommodation.

Among the visitors to the Centre were officials of the Co-operative Department of Uttar Pradesh and Delhi and Mr. M. S. Menon, Deputy Chief Officer, Agricultural Credit Department, Reserve Bank of India, who will deliver a series of lectures to the trainees on Principles of Co-operation. Included in the syllabus are such subjects as Principles and Practice of Co-operation, Organisational structure and functions of co operative societies, approach, methods and techniques of instruction for various categories of co-operative personnel, literacy methods etc.

Besides attending regular theory classes, the trainees will also practice teaching. They are as well scheduled to pay visits and inspect the working of the various co-operative organisations.

The elaborate syllabus of theoretical and practical training has been drawn up by the All India Co-operative Union in order to enable the trained Instructors to implement efficiently and effectively the Scheme of Co-operative Education for members and potential members, Members of Managing Committees and office bearers of co-operative societies, which by the end of the Second Five Year Plan period is expected to cover the whole of India.

The All India Co-operative Union, which is mindful of the fundamental importance of a sound and systematic co-operative education of non-officials, which in turn is dependent on both extensive and intensive training of Instructors on whose shoulders will devolve the resposibility of implementing competently the scheme, has also made arrangements for a team of able and experienced co-operators and educationists, officials and non-official, Indian and foreign, to deliver lectures at the Dohai Training Centre.

GOLDEN JUBILEE CELEBRATIONS OF THE MADURA URBAN CO OPERATIVE BANK LTD., ON 27-2-1957.

The Madura Urban Co-operative Bank Ltd., Madurai celebrated its Golden Jubilee on Wednesday the 27th February, 1957 Sri Medai Dalavoi Kumaraswamy Mudaliar presided. About 700 members and a number of guests were present. Prominent among the guests were Janab H. H. Shakir, B.A., Deputy Registrar of Co-operative Societies, Madurai and Sri A. Rajayya Nadar, B.A., Deputy Registrar of Co-operative Societies, Ramanathapuram.

After Tea, which was served in the newly constructed Jubilee Hall, the guests and the members were conducted to a spacious decorated pandal, in front of the premises of the Bank, intended for the Jubilee Celebrations.

The function commenced with a prayer by Kumaries K. Meenakshi, S. Meenakshi and S. Saraswathi. Sri A. M. Mathurapuli Gownder, President, The Madura Dt. Central Co-op Bank Ltd., Madurai, hoisted the Co-operative flag. Sri V. Chinnikrishna Naidu, the President of the Bank, welcomed the guests and traced the activities of Bank since its inception in a short speech.

Sri R. Soundararajan, the Dt. and Sessions Judge, Madurai inaugurated the celebration. Srimathi B. Meenakshi, one of the members of the Golden Jubilee Committee read the messages received from Sri P. S. Kumaraswamy Raja and the presidents and secretaries of the various co-operative institutions of the State.

Sri A. Palaniappa Mudaliar M.A., I.A.S. Registrar of Co-operative Societies Madras unveiled the portait of Sri V. Chinikrishna Naidu, the President of the Bank and Sri Rani A. Subbaram, the Chairman of the Municipal Council Madurai, that of Sri R. Ramanatha Iyer, Vice-president.

Sri Medai Dalavoi Kumaraswami Mudaliar, then delivered his Presidential address.

Winding up the proceedings of the day Sri R. Ramanatha Iyer, the Vice-president of the Bank and Chairman of the Golden Jubilee Committee, in proposing the vote of thanks, expressed that he congratulated himself on the unique honour vouchsafed to him by his worthy collegues in the Directorate, in expressing on their behalf their heartfelt thanks for the ready response to their invitation to all present—particularly the revered President of the evening, Sri Medai Dalavoi Kumaraswamy Mudaliar, and our popular Registrar Sri A. Palaniappa Mudaliar, who, in the midst of their multifarious duties, should have chosen to spare time to go over here subjecting themselves to personal discomfort and inconvenience.

With the singing of "Jana Gana Mana," the proceedings came to a close.

INAUGURATION OF THE RAMNAD DISTRICT FISHERMEN CO-OPERATIVE SOCIETIES FEDERATION

The Ramnad District Fishermen Co-operative Societies Federation was inaugurated by Mr. S. Aruldoss, I.A.S., Additional Director of Industries and Commerce, Madras on 17-2-57 at Ramnad.

Mr. S. X. Arokiaswamy, Assistant Director of Fisheries, explained the objects and benefits of the Federation. He said that the scheme for assistance to fishermen Co-operative Societies for marketing of fish under Second Five Year Plan is being implemented in Ramnad District and in the first instance long-term loans of Rs. 65,000 have been provided to groups of fishermen of Pamban, Mandapam, Irumeni, Pudumadam and Athankarai Fishermen Co-operative Societies. He, deploring the ignorance and indebtedness of the fishermen, exhorted them to switch on to scientific and modern lines of fishing from their primitive and crude methods. He also explained the Government aid in supplying 'Pablo' boats and Nylon nets and their efficacy in increasing the catches.

Mr. P. Rangasamy Naidu during the course of his presidential address compared the fishermen's scientific advance in foreign countries with the fishermen in Madras, who are backward in every respect. He advised the fishermen to keep abreast with the change of time, to give off their age long and outmoded crafts and tackles and develop an aptitude for mechanised boats and improved methods of fishing.

In his inaugural address Mr. S. Aruldoss. I.A.S., Additional Director of Industries and Commerce, Madras said that only through Federation fishermen can avail themselves of all the various Government aids to the maximum extent. and it will act as a central organisation to pool more funds, develop the activities of the societies and work for the interests of the societies. He said that facilities for quick transport of fresh fish from sea coast to inland markets and preservation of fresh-fish will be provided for the Federation. He explained how the Pablo boats working now at Tuticorin are remunerative by fetching Rs. 150-200 a day when they are to pay an instalment of about Rs. 150 per month and advised the Ramnad fishermen also to purchase the mechanised boats and Nylon nets from the Government at subsidised rates. He declared open the Federatfon.

Messrs. S. Rajiah Nadar, Deputy Registrar of Co-operative Societies, V. Marimuthu Pillai, Advocate, V. K. C. Natarajan Assistant Settlement Officer Ramnad and K. V. Chellam. Dy. Commerial Tax Officer, Ramnad also spoke on the occasion.

Mr. V. J. Packiam B.A., Co-operative Sub-Registrar read out the messages received by the Reception Committee from many well wishers.

Mr. M. G. Nayagam, Senior Inspector of Co-operative Societies started the organisation and the first set office bearers were elected.

There was a Fisheries Exhibition. Sri A. Abbas khan, Co-operative Inspector proposed vote of thanks.

GOVERNOR'S VISIT TO CO-OP. MILK SUPPLY UNION

Mr. A.J. John, Governor of Madras, visited the Madras Co-operative Milk Supply Union on 9th March and saw for himself the working of its several departments engaged in the collection and supply of milk to the citizens.

Mr. K. Nachchinarkinia Sivam, President, and Mr. M. Arulanandam, Secretary of the Union, received the Governor, who was accompanied by Mrs. John, and showed them round.

In commemoration of His Excellency's visit, Srimathi and Sri A.J. John planted two saplings in the Union compound.

TIRUPATI CO OP. TOWN BANK—GENERAL BODY MEETING

The General Body Meeting of the bank was held on 10-3-57 in which administration report and audit certificate were passed and adopted and the net profits were resolved to be distributed. The dividend on shares at 6 per cent has been declared and the general body passed amendment of by-laws in consonance with the decimal coinage system which would come into vogue from 1 4 57. We have also reduced the rate of interest on all ordinary loans from 6¼ per cent to 6 per cent or Re. ½ or 50 N.Ps. for hundred rupees per month on all jewel loans from 5½ per cent to 5.4 per cent or 0.45 N.Ps. per hundred per month.

SRI S. N. SAHAYA, MEMBER OF PARLIAMENT AND A PROMINENT CO OPERATOR PASSES AWAY.

Sri Shyamnandan Sahaya, M. P., President of the All India Co-operative Union passed away on the night of 14th March 1957 at Muzzafarpur. He was the Vice Chancellor of the Patna University and a Member Parliament. He was a well-known co operator and had been the President of the Bihar State Co-operative Bank for a long time. He has been the President of the All-India Co-operative Union since 1955. He presided over the 28th Madras State Co-operative Conference held at Madras in December 1952. He was the recipient of the award of Padma Bhushan during this year's President's Republic Day awards.

As a mark of respect for the departed co-operative leader, the office of the Madras State Co-operative Union was closed on 15-3-57.

SAHAYA'S DEATH MOURNED

A meeting of the Trainees and Members of the Staff of the Co-operative Training College, Poona, placed on record its sense of profound sorrow at the sad demise of Shri Syamnandan Sahay, M.P., on 14 3 1957. He was an eminent co-operator who had rendered valuable services to the Co operative Movement as President of the All India Co-operative Union and several State Co operative Organisations in Bihar. The co-operative movement has suffered irreparable loss by his untimely death.

This meeting requested the Chairman and Principal to convey the resolution and also its heartfelt condolences to the members of the bereaved family.

SRI P. S. KUMARASWAMY RAJA, FORMER CHIEF MINISTER OF MADRAS AND A PROMINENT CO-OPERATOR PASSES AWAY.

Sri P. S. Kumaraswamy Raja, former Chief Minister of Madras and ex-Governor of Orissa passed away due to heart attack on 16th March 1957 at 1.25 a.m. at the General Hospital, Madras.

He was a great leader of the Co-operative Movement in Madras State. He was associated with several Co-operative Institutions. He was the President of the South India Co-operative Insurance Society, President, Ramnad Dist. Co operative Bank, President, Madurai Ramnad Co-operative Wholesale Stores, President, Bhupathi Raju Co-operative Bank, Rajapalayam, Director, the Madras Central Land Mortgage Bank, Vice-President of the Madras State Co-operative Union and a director in many other Co-operative Institutions. He was taking a keen interest in the development of the Co operative Movement since 1924. As Minister for Agriculture in the Prakasam Ministry, he took special pains to develop agriculture.

He was a director of the Madras State Co-operative Union for a very long time and was the Vice-President of the Madras State Co operative Union since May 1936 upto 1949. He was also on the Editorial Board of the MADRAS PANCHAYAT JOURNAL. He also took a keen interest in the Panchayat Movement in Madras.

As a mark of respect for the departed leader, the office of the Madras State Co-operative Union remained closed on 16th March 1957.

The Madras State Co-operative Union.

CO-OPERATIVE SUPERVISORS EXAMINATION—JUNE 1957.

Consequent on the representation made by the mofussil Co-operative Training Institutes, The Madras State Co-operative Union has now decided to hold the Co-operative Supervisors Examination in the month of June 1957 from 22nd to 28th June 1957.

All the Co-operative Supervisors Trainees including the supplementary candidates may note the change in the date of examination The last day for sending the application forms and the payment of Examination fees shall be 30th May 1957.

The Practical Training for this year will commence on the 8th April and will terminate on the 6th June 1957 *i e.*, for a period of two months. As usual, the Practical Training will be given by the District Co-operative Central Banks.

DR. P. NATESAN,
General Secretary.
The Madras State Co-operative Union.

Book Review

WORKERS' EDUCATION

I. L. O. PUBLISHES MANUAL ON CO-OPERATION

A manual on co-operation in Hindi and English has just been published by the International Labour Organisation as one of the first steps in the implementation of the ILO's systematic programme of workers' education.

Under the programme, the ILO began in 1956 to prepare a number of courses in the form of convenient manuals written in concise language and dealing with questions on which the ILO has accumulated data and information during the past 36 years. In form and in content, these courses are specially conceived for workers' education, for both teachers and pupils. Manuals to be produced later include courses in social security and certain aspects of labour-management relations.

The course contained in the manual consists of 14 lessons which deal comprehensively with the different aspects of this vast subject, ranging from the origins of the movement and problems of structure and management to the relationship between the State and Co operative Movement. Each lesson is followed by a series of questions. There is a bibliography.

In his report to the ILO's annual conference in June 1956 Director-General David A. Morse said, that the aim of the workers' education programme is "to promote among the workers, in all parts of the world, an objective knowledge of the social conditions and problems confronting them so that they will be able to deal with these problems in an intelligent, rational and responsible way."

STATEMENT ABOUT OWNERSHIP AND OTHER PARTICULARS ABOUT NEWSPAPER

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DR. P. NATESAN,
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