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THE
Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

Journal of the Tamil Nadu Co-operative Union, Esplanade, Madras I

HONY. EDITOR :

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

ASSOCIATE EDITOR :

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

MAY 1958.

No. 11, VOL. XLIX

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THOUGHT FOR THE MONTH

Efficiency with Humanity.

Not efficiency must be our watchword, but humanity and efficiency—efficiency for the sake of humanity. It was Ibsen, who said that democracy was not sufficient; there must be an element of aristocracy, an aristocracy of will and character. Efficiency does in the main proceed from the few, from the unwearying minority, which leads on the mass through the power of thought, and will and moral enthusiasm. But humanity abides with democracy, with the mass of average men and women, with the common people who hear the true word gladly. If we have to choose, humanity is more precious than efficiency; therefore, democracy must rule, and efficiency must mean the interpretation and expression for the people of their true and permanent will. To lift the burden of poverty, of ignorance, and prejudice, of injustice and greed, that crushes men and women under its misery, to set free wherever we can all fine and gentle and true feelings, to extend with our advance light and knowledge and natural gaiety, to make it known by our deeds that we are sincere lovers of humanity, and in our dealings are inspired by the humanities—this is real progress, this is the spirit and aspiration that must animate us, if our progress is to be real.

—PERCY REDFERN in
“*Ideas of Progress in Co-operation.*”

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ESTD : 1927

PHONE : 61068

The Madras Co-operative Milk Supply Union, Ltd.,
AYANAVARAM : : MADRAS-23.

SRI K. NACHINARKINIASIVAM.
President.

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PURASAWALKAM.	...	31, Swami Pillai Street, Choolai.
EGMORE	...	11, Mukkathal Street, Purasawalkam.

M. ARULANANDAM, B. COM. (Hons.)
Secretary.

Tamil Nadu Co-operative Union Limited,
379, Netaji Road, Madras-1.

CIRCULAR

Consequent on the amalgamation of the Madras State Co-operative Union, Madras and the Tamil Nadu Co-operative Federation Ltd., Coimbatore, a new society has been registered as "Tamil Nadu Co-operative Union Ltd., No. X - 387".

All correspondence Registered Tapals, Money Orders, Cheques, etc., intended either to the Madras State Co-operative Union or Tamil Nadu Co-operative Federation should in future be addressed to the Convenor, Tamil Nadu Co-operative Union Ltd., 379, Netaji Road, Madras-1.

P. NATESAN,
Convenor.

தமிழ் நாடு கூட்டுறவு யூனியன் லிமிடெட்,
379, நேதாஜி ரோடு, சென்னை-1.

சுற்றறிவிப்பு

சென்னை ராஜ்ய கூட்டுறவு யூனியனும், தமிழ் நாடு கூட்டுறவு பெடரேஷனும் (கோயமுத்தூர்) ஒன்றாக இணைக்கப்பட்டு "தமிழ் நாடு கூட்டுறவு யூனியன் லிமிடெட், நெ. X-387", சென்னை, என்ற புதிய சங்கமாக பதிவு செய்யப்பட்டுள்ளது.

ஆதலால் மேற்படி இரண்டு ஸ்தாபனங்களுக்கும் அனுப்பக்கூடிய கடிதங்கள், ரிஜிஸ்தர்கள், மணியார்டர்கள், செக்குகள் முதலியவைகளை இனிமேல் கீழ்க்கண்ட விலாசத்திற்கு அனுப்புமாறு கேட்டுக்கொள்ளப்படுகிறது.

கன்வீனர், தமிழ் நாடு கூட்டுறவு யூனியன், லிமிடெட்,
379, நேதாஜி ரோடு, சென்னை-1.

பி. நடேசன்,
கன்வீனர்.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture, Madras, is publishing a Monthly Journal in Tamil, called *Mezhicheivam*. It contains very useful articles on agriculture and allied subjects written by experts as well as agriculturists in the language and style that can be easily understood by ryots.

The present circulation of the journal is 20,000 copies every month.

Agriculturists are requested to enrol themselves as members and get the benefit of the information this journal imparts. The annual subscription is Rs. 3-0-0 only and this may be paid to the nearest Agricultural Demonstrator.

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Quarter page	Rs. 10	

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With Rules and Act X of 1904, and

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with Case Law and Amendments up to 30-9-57

(TWELFTH EDITION)

EDITED BY

Sri T. NARAYANA PILLAI, B.A., B.L.

Advocate and Joint Secretary,

Tamil Nadu Co-operative Union, Madras.

Price Rs. 4-0-0

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PHONE: 3420

SRI B. HALA GOWDER,
Vice-President.

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Rs. 7,15,200

Statutory & Other Reserves

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Rs. 71,00,000

Loans and Overdraft business exceed rupees one crore.

Deposits are accepted at the following rates:—

Fixed Deposits:			
6 months	2 1/2 %	Current Deposits	1 1/2 %
1 year	3 %	Savings Deposits	2 %
2 years	3 1/2 %	Recurring Deposits	2 %
Over 2 years and upto 3 years	3 1/2 %	Provident Deposits	3 %
" 3 "	4 %		
" 4 years "	4 %		

All Kinds of Banking Business Transacted

Ootacamund,
12-12-1957.

SRI G. MADALAIMUTHU UDAYAR, B.A.,
Deputy Registrar-Secretary.

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

13/14, Mukkur Nallamuthu Chetty Street, Madras-1.

TELEPHONE NO. 2384.

ESTD. 1930

President:

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

Authorised Capital

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Working Capital

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Loans are issued to all Primary Societies and Co-operative Urban Banks

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Six Months	4 %
One Year	4 1/2 %
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N. M. SIVAPERUMAL,
Secretary.

TELEGRAMS : "CENMORBANK"

TELEPHONE : 71061

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

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SRI N. S. RAMALINGAM, B.A., DIP., POL. & PUB. ADMN., M.L.A.

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Paid up Capital	...	Rs. 18,17,000.
Reserves	...	Rs. 23,69,303.

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*Summary of Balance Sheet as on 30-6-'57.

Liabilities.		Assets	
	Rs.		Rs.
Paid up-Share Capital	18,17,000	Cash on hand and	
Reserve and other		balance with Banks	94,744
Funds	23,69,303	Loans to Primary	
Debentures	5,13,64,600	Banks	4,05,43,691
Deposits, Loans and		Sinking Fund Invest-	
Overdrafts	44,94,789	ments	1,66,39,437
Sundry Liabilities	9,41,652	Other Investments	29,47,727
		Sundry Assets	9,27,410
Net Profit	1,65,665		
Total	6,11,53,009	Total	6,11,53,009

*The figures are subject to revision after audit.

O. V. CHINNASWAMY, B.A., B.L.
Secretary.

SPECIAL ARTICLE

Consumers' Co-operatives in Madras

By

M. A. HAFEEZ, M.A.,

Joint Registrar of Co-operative Societies, Madras.

The Consumers' Co-operative Movement had its beginnings in Great Britain, sponsored by the celebrated Rochdale Pioneers in the middle of the last century. To-day it is the largest organisation in Great Britain, which is both democratic and voluntary. It has 7,500,000 members and it is roughly true to say that in every second household in the country at least one person is a member. Its funds amount to more than £300,000,000 and its annual trading operations exceeds the sum. These figures are sufficient to show that the movement is of great importance both in the social life and in the economic activities of the country. The following passage from Dr. King's writings dealing with the principles of the Consumers' Movement, will describe the genesis of the Movement :

"If a number of workmen were to join together on these principles, their capital would be greater and they might do great things. They might have a store of their own, where they might deal in any they wanted. Their store would enter into co-operation with other stores in serving the public. As the business increased, the profits and capital would increase. As the capital increased, it would employ the members of the society in any way which might be deemed most advantageous. If there was a profitable demand in the public for any particular commodity, the members might manufacture it."

The movement was based on the system of democratic control which was emphasised by the

Rochdale plan and it fostered the development of those qualities of leadership, which made the modern movement possible.

In India, the Co-operative movement was started in 1904 at the instance of Government by the passing of the Co-operative Credit Societies Act, but this Act did not provide for the formation of societies other than credit. With the later enactment of the Co-operative Societies Act II of 1912, this want was supplied and the formation of non-credit societies was given legal sanction. New types of societies such as marketing societies, stores and weavers' co-operative societies were formed. Among the earlier non-credit co-operatives so formed, the consumers' co-operatives stores occupied the foremost place. A Co-operative Stores is an organisation of consumers with the object of securing its members goods and services to their greatest advantage by reducing trading costs. Though this activity sounds simple, it is at the same time difficult of implementation. The stores societies have been organized in Madras State, as in the rest of India, generally on the principles enunciated by the Rochdale Pioneers, namely sale to members, sale for cash, sale at market rate and bonus on purchases. Till 1915, the number of stores societies was 11. The period that followed the First World War witnessed the formation of many such stores owing to the abnormal increase in prices and the number of stores went upto 103 in 1921. Their number went down subsequently consequent

on the vicissitudes of trade and slump in the market. The Second World War again gave an impetus to the formation of stores societies. The number of stores societies rose to 236 in 1940 as against 85 in 1939. The years that followed saw a steady expansion of the consumers' movement as the climate necessary for their expansion i.e., increased purchasing power of the people and removal of the private competition under conditions of Government control, was obtaining. The number of stores rose to 1764 in 1949 with a membership of 5.33 lakhs, share capital of Rs. 111.86 and business turnover of Rs. 2,307.37 lakhs. At a time of severe scarcity of food grains and other necessities of life and the policy of control and rationing prescribed by Government, the Co-operative Stores proved to be the most efficient and reliable agencies for the equitable distribution of controlled commodities. There was thus a phenomenal growth of the Consumers' Co-operative Stores during this period. With the cessation of War and return of conditions to normal and also with the gradual abolition of controls in 1951-52, the number and the turnover of the stores recorded a steep fall. In 1953, the number of stores declined to 896 in the residuary Madras State. This again fell to 786 in 1955 and as on 1-7-57, the number in the reorganised Madras State was 541 with a membership of 2.76 lakhs, share capital of Rs. 38.82 and sales turnover of Rs. 509.14 lakhs. With the large increase in the primary stores during the war years, the formation of central organisations for the bulk purchase or import and sale of such commodities to their affiliated primaries was felt. Thus, for each district a Co-operative Wholesale Stores was formed. But the fall in the business of the primary stores re-

ferred to above was found reflected in the business of the wholesale stores as well. In 1955, their sales turnover went down to Rs. 235 lakhs from Rs. 796 lakhs in 1953.

The story of the Consumers' movement in the Madras State, therefore, shows that the primaries have been more the children of necessity rather than a permanent feature of the Co-operative Movement. When profiteering and black-marketing were rampant, the State had to intervene and impose controls in regard to price fixing and also a system of rationing in regard to quantity of food-grains made available to adults and children. In this situation, the consumers' co-operatives played a very significant part in assisting Government in making the goods available at the proper price and in the right quantity and quality. After the termination of war, the need for the continuance of controls was not keenly felt and in due course the controls were lifted and Fair Price Shops were started in the place of Ration Shops particularly in the urban and semi-urban areas to meet the requirements of the people. Under conditions of free-trade, many of the stores societies found it difficult to face the competition from private sources and consequently they sustained losses. Some of them could not also survive the changed conditions and had to go into liquidation. For the well-being of India's rural communities, an effective consumer and supply service is still necessary. "A successful rural consumer movement in under developed countries is the dire need of the hour". Efforts have to be taken in the right direction to rectify and consolidate the consumers' movement even under the present changed conditions.

In the open market, competition from the private sector cannot be

avoided and it has to be faced squarely. The consumers' stores cannot always claim a privileged position for all time to come. Further, the consumers' co-operatives will have to follow certain business practices so as to secure the loyalty of the members and attract them to their side and also secure adequate business from the non-members atleast for sometime to come.

Credit Sale

Co-operative Stores are governed by certain fundamental principles, of which sale for cash and sale to members constitute the most important ones. While it is necessary that consumers' co-operatives should adhere faithfully to these important and healthy principles, it needs mature consideration whether any departure from them is called for in their present stage of development. A private merchant in a town or in a village is in a position to secure a vast clientele around him mainly on account of his attractive terms of business. These terms are no doubt risky, which a consumers' stores cannot undertake. Hedged in, as it were, by rules and regulations, the Co-operative Stores could not undertake credit sales within their limited bounds. But generally speaking, credit facilities are being allowed more in the case of stores for industrial workers rather than in the other stores. Paid employees and fixed salary earners are accustomed to purchase on credit from private merchants and it will be difficult for them to adopt the method of "cash and carry". Loyalty of such members cannot be secured without this facility. The Madras Committee on Co-operation (1956) have observed: "Though the ideal practice in a Co-operative Stores should be 'Cash and Carry', a system of allowing credit with suitable safe-

guards eliminating the scope for bad debts and ensuing fairly quick realisation of the dues cannot be totally ruled out in our country, having regard to the habits of our people and the facilities allowed by private trade". Some of the Co-operative Stores have undertaken sale of goods on credit subject to certain conditions. The main condition necessary for allowing this facility is the prompt and safe recovery of the value of the goods supplied so that the moneys involved in such sales might be available for the next month's business. Once this condition is satisfied, the stores could allow credit business and thereby expand their business. There are, however, a few exceptions where on account of the advanced and unflinching loyalty of the members and the popularity of the stores, increasing business is being transacted even without the provision of credit. The rural stores at Chandrasekharapuram with a membership of 1036, paid up share capital of Rs. 29,855 and annual turnover of Rs. 11.87 lakhs can be said to be a rare specimen. "A Co-operative experiment that has brought happiness, security and honest trading to Indian rural dwellers and sets a pattern to be followed elsewhere". Or, even an urban stores like the Triplicane Urban Co-operative Society, which has been in the Consumers' field ever since the inception of the Co-operative Movement in India with a membership of 26,193, a paid-up share capital of Rs. 2.32 lakhs and an annual turnover of Rs. 1.40 crores, is again an exception to the generality of cases. In the initial stages of their working and with a view to build up a wide clientele, the stores societies may have to follow the business practices of the private trader in respect of all classes of people within

reasonable bounds and safety limits. Sale against Trade Deposits may also be encouraged to the extent possible.

Sale to Non-members

The next important departure necessary for the building up of the consumers' movement in the State is sale to non-members. Rule XIX of the rules framed under the Madras Co-operative Societies Act lays down that no stores shall sell goods to persons other than members without the previous sanction of the Registrar. During the period of the Second World War, when scarcity of food grains and other consumers goods was felt, Government permitted the stores societies to sell the goods handled by them to non-members as well, so that there may be an equitable distribution of scarce commodities in the community as a whole. The relaxation of the Rule to sell to non-members has since then been extended from time to time and will be in force till 31-12-1959. The Madras Committee on Co-operation have also held that such temporary relaxation of the Rule in favour of allowing sale to non-members for a period of five years was necessary mainly with a view to enable the stores to stabilise their business, though they pointed out that any permanent relaxation would tend to obscure the essential feature of a Co-operative Stores.

Payment of Bonus

Yet another departure from the orthodox principles is necessary to ensure the success of the movement. Bonus need not be restricted to members only but should be paid to non-members also at half the rate allowed to the members, as in Great Britain. The Madras Committee has again offered its valuable advice in this regard and

recommended the adoption of the same system by the primary stores in Madras State, but that the bonus payable to non-members need not be paid in cash but credited to their accounts till the total accumulates to the value of a share. Apart from the above main considerations for the resuscitation of the Co-operative Consumers' Movement in the State, the following other factors are equally important.

A Scientific Purchase Programme

The success of a store depends in no small measure on the well regulated purchases that it makes. Unless the purchases are made at the right place and at the right season, quality of the goods cannot be guaranteed and further a decent margin as between the cost price and market rate cannot be earned. The stores will have to forecast their requirements early enough to ascertain the markets available and the price obtaining at each market. Co-ordination as between the producers' co-operatives and the consumers' stores can also be obtained at this stage to the mutual advantage of both. It is mainly by a scientific regulation of purchases that the stores will be in a position to dictate the market rate.

Processing Activities

This is yet another way of economising the ultimate cost to the stores at which it could make the goods available to the consumer. Stores that have stabilised themselves and could command adequate resources, might set up suitable machinery like conversion of paddy into rice, production of oils, grinding of certain articles into powder etc., Dealing in these articles on a fairly large scale would go to bring down the cost of production, leaving a decent margin for the stores over the market rate. The

Madurai Mills Co-operative Stores for instance, has recently set up all the essential equipments for undertaking processing activities of this kind. Given sound management and supervision over all these activities, there is bound to be a decent margin available to the stores, which would also enable it to bring down its market rate, ultimately to the benefit of the consumer. In England, the wholesale societies were originally established to act as wholesale agencies, though they soon found it necessary to begin production of many of the articles required by the retail societies. The manufacturing side of their activities has grown to large proportions and their policy to day is to extend production until the movement becomes self-supporting, apart from those supplies which have of necessity to be obtained from abroad.

Trained Personnel for the Stores

Salesmanship is an art by itself. While the staff employed by the stores are required to undergo training in co-operation, they are not being trained up in salesmanship, which is so very essential to a business organisation. The newly recruited staff should be deputed to other business firms of repute or other large and well established co-operatives for a course of training over a given period. A well trained and equipped staff should be built up in this manner. With such an equipment, it would not be difficult to provide for a good supply service.

To a Socialist Pattern of Society

India has set before it the goal of socialistic pattern of society, based on sound principles of social justice and equitable distribution of wealth and essential commodities and services in the community. The utilisation of

the co-operative agency in achieving the pattern had already been recognised and steps are being taken in that direction. It, therefore, needs no emphasis that in the matter of equitable distribution of commodities and consumer goods, based on the essential principles of service, not profit, the co-operative consumers' movement should be utilised to the maximum extent possible. It will not, therefore, be too much to claim certain facilities and privileges from Government for this movement. In the matter of imports of consumer goods and scarce commodities, the Co-operative agency may be entrusted with the bulk of the work, if not the entire business. Likewise, in respect of all other scarce commodities like coffee seed, cement, iron and steel etc. Further, the entire requirements of the consuming Departments of Government like the hospitals, jails, hostels etc., might be obtained through the Co-operative agencies based on an agreed formula. Furthermore, the consumers' co-operatives can be helpful in stabilising the price level by regulating distribution of essential commodities in the proper way. Consumers co-operatives can be effective in preventing hoarding of essential consumer goods. The State can utilise this agency to gain this objective as well. Yet another effective way by which the State could encourage the consumers' co-operatives is to extend the scheme of State partnered co-operation now in operation to the consumers' movement also. Establishment expenses of Co-operative Stores that have reasonable chances of survival might be subsidized by Government within a specified period and thereafter on a sliding scale basis. Financial aid may also be given to such stores for the construction of rat-proof

godowns as in the case of Agricultural Credit Societies and Marketing Societies. Such facilities might be extended not only to the Co-operative Stores formed specially for such business but also to the multipurpose co-operatives that have taken up stores activities as part of their varied activities. Along with these facilities, the stores will have to launch a drive for more membership. The celebration of the "Cour-

tesyWeek" or "MembershipWeek" should help much. The aim should be to bring the bulk of the community into the consumers' movement and make them feel the bracing influence of the system. Intensive work on the above basis with the effective assistance of the State is bound to stabilise the consumers' movement and make it an integral part of the future planned economy of the State.

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Telephone No. 52.

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Paid up ...	6,82,750
Statutory Reserve...	4,08,235
Other Reserves ...	1,77,580
Working Capital ...	88,53,550

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B. Bakthavatsulu Naidu M.L.A.,
President.

GLEANINGS

Report on Certain Aspects of Co-operative Movement in India*

By

SIR MALCOLM DARLING

The Government of India requested for the services of Sir Malcolm Darling K. C. I. E. under the Technical Co-operation Scheme of the Colombo Plan for a period of 4 to 6 months as consultant to the Planning Commission. He was asked to review recent developments in the field of Co-operation with reference to programmes in the Second Five Year Plan and to make recommendations for strengthening the organisation of Co-operative Departments in the States, the training programmes for co-operative personnel, and the organisation of the co-operative movement at and below the district level. Accordingly he toured the different States and submitted a report, the main recommendations of which have been summarised as follows. The figures in brackets at the end of each recommendation relate to the paragraph in the Report containing the recommendations.

I. Agricultural Credit Societies: 1. The need for caution in making further credit available is especially necessary in States with less developed movements. (paragraph 18) 2. The pace for development set by the Second Five Year Plan should be slowed down, and in the case of the weakest States ten, instead of five years should be allowed for achieving the targets. (paragraph 23) 3. An Officer of standing and experience should be attached to the Ministry of Food and Agriculture to act as Liaison Officer between the Ministry and

the State Governments. (paragraph 25) 4. Large societies should be of three types and operate under certain conditions. (paragraph 33) 5. In due course they should be reviewed in relation to certain points specified in (paragraph 34.) 6. A special effort should be made to render the small societies more viable. (paragraph 35) 7. Societies with no secretary of their own should be helped to get one of their members trained to act as secretary (paragraph 36) 8. Where this is impossible, Unions should be formed experimentally for the employment of peripatetic secretaries. (paragraph 37) 9. The name 'Thrift and Credit Society' should be restored. (paragraph 39) 10. A systematic attempt should be made to increase deposits in Thrift and Credit Societies. (paragraph 40) 11. A special effort should be made to attract deposits from both young and old, including school children. (paragraphs 39 to 42) 12. Ordinarily a representative of the State Bank of India should not be nominated by Government to the Board of a co-operative bank. (paragraph 44) 13. In no circumstances should nomination be governed or influenced by political considerations. (paragraph 45) 14. Wherever the general supervision of the Thrift and Credit Society is not the responsibility of the Central Co-operative Bank and the system works satisfactorily, no change should be made. (paragraph 46) 15. In Andhra, and Madras societies classed A or B should be allowed to apply DIRECT

*Source: Co-operative News Digest, Vol. IX. No. 4, dated April 1958.

to a Central Bank for loans, (paragraph 43) 16. Thrift and Credit societies with unlimited liability should be allowed to invest their reserve funds in their own business where this has been the practice in the past, (paragraph 49) 17. When they are lodged with a Central Bank, they should be kept in some liquid form, the total amount to be in addition to the fluid resource required to cover ordinary deposits, and there should be the same rule for the reserve funds of Central Banks deposited with an Apex Bank, (paragraph 51) 18. Audit should remain the responsibility of the Registrar, and in the Punjab and Uttar Pradesh, where this is no longer the case, his responsibility should be restored, (paragraph 51) 19. Societies should not be formed without proper preparation, and in each State, where this has not been done already, the Registrar should fix the number of visits by a member of his staff required to secure this, (paragraph 53) 20. Societies whose dealings would mainly be with non-members should not be registered under a Co-operative Societies' Act, (paragraph 56) 21. More attention should be paid to co-operative farming on an individual as opposed to a collective basis, (paragraph 59) 22. The name 'multi-purpose society' should not be used of societies with only a single activity, (paragraph 60) 23. Where the supply and marketing side of the movement is sufficiently well organised, co-operative societies should be used exclusively for the distribution of fertilisers, (paragraph 62) 24. Credit and crops should be closely linked, (paragraph 63).

II. Recruitment and Training:

25. No one should be appointed Registrar without at least a year's training, (paragraph 65.) 26. Every Registrar should have on his staff

some one competent to succeed him and sufficiently trained and experienced to be able to do so, (paragraph 66.) 27. Registrars should not be transferred under AT LEAST three years, and generally not for five years or more, (paragraph 67.) 28. Ordinarily, no one from the Indian Administrative Service should be appointed Registrar under twelve years' service. 29. All appointed Joint or Deputy Registrar direct should attend a Senior Officers' Course at Poona and get six months' training in addition, (paragraph 69.) 30. Technicians employed in connection with any kind of industrial society should have three to four months' training, to include a short course in theory, history and practice of Co-operation, (paragraph 70.) 31. Advisers to the Registrar on Banking and Finance, if appointed within the department, should receive a year's training in banking, six months of which should be spent in a commercial bank or in the State Bank of India. If appointed from outside the Department, they should get six months' training in co-operative banking and other co-operative financial activities, (paragraph 71.) 32. A model training scheme for Assistant Registrars is recommended (paragraph 72.) 33. For Inspectors, attendance at an Intermediate Level course should be supplemented by at least six months' field training (paragraph 73.) 34. The desirability of a rural background for all in constant contact with the villager should be given full effect to in recruitment, (paragraph 74.) 35. More persons should be recruited than needed for employment to allow for weeding out the unfit during training, (paragraph 77.) 36. Special staff will be needed to enable the large areas co-operatively undeveloped to keep

pace with the Plan; the Registrars should advise their Governments accordingly, (paragraph 78.) 37. A statistician should be added to the staff of the Registrar, Andhra, Madras and Bombay, (paragraph 79.) 38. The training courses should be revised to secure a better balance between the practical and theoretical, (paragraph 82.) 39. The syllabi of the courses should be revised and shortened, (paragraph 83.) 40. There should not be more than four lectures a day in any training course, (paragraph 84.) 41. The seminar system should be more freely used, (paragraph 85.) 42. More time should be allowed in the courses for reading, (paragraph 88.) 43. The libraries of the training centres should be better stocked, (paragraph 89.) 44. There should be not more than one intermediate and one final examination, (paragraph 90.) 45. Excessive 'homework' should be discouraged, (paragraph 91.) 46. Paragraph 92 lists some minor recommendations in regard to the training centres. 47. Batches of students taken on tour should be limited to ten of large societies, (paragraph 112.) 48. Societies much used for the practical purposes of training should be given some special staff for the necessary explanations and guidance. (paragraph 94.) 49. Societies within easy reach of a training centre should be used for practical training, (paragraph 95.) 50. No one should be allowed to take a course without first receiving from three to six months' field training, (paragraph 97.) 51. After training no one should be given independent charge of a post without working for a certain period under the personal supervision of an officer of a superior grade, (paragraph 98.) 52. Men with over five years' service should not be trained with men of less than one

year's service, (paragraph 99.) 53. At both the intermediate and the higher level there should be two courses, one for new entrants, the other for those who require a course to prepare them for new responsibilities, (paragraph 100.) 54. The course for Senior Officers directly appointed should include 'Rural Economics and Elements of Agriculture' as a compulsory subject, (paragraph 101); and the shorter course at the same level might well include 'Business Management' as an optional subject, (paragraph 102.) 55. No one whose post involves attending a course and passing an examination should be confirmed in the post until he has passed it. (paragraph 104.) 56. Short refresher course should be held regularly in all states, (paragraph 105.) 57. Experiments should be made with the study session as used in France, (paragraph 106.) 58. The correspondence course as a method of teaching should be borne in mind with a view to its introduction at a later stage, (paragraph 108.) 59. There should be a short special course in co-operation for entrants into the Indian Administrative and Agricultural Services, and also, if necessary, for key personnel in the Agricultural Credit Department of the Reserve Bank. (paragraph 109.)

III. Teaching of Members of Societies: 60. Regional Training centres are needed for training those concerned with teaching members of co-operative societies; and the training should be given in the language of the region, (paragraph 110.) 61. It might be better to train presidents of societies with other members of Committee rather than with secretaries, (paragraph 111.) 62. Special attention should be paid to the education of members of large societies, (paragraph 112.)

63. The use of the drama in the teaching of members of societies should not be overlooked and might usefully be taken up by the National Extension Service, in collaboration with the Co-operative Departments and the All-India Co-operative Union, (paragraph 114.)

IV. *The National Extension Service*: 64. No one should be appointed co-operative Extension Officer without at least a year's field experience. (paragraph 116.) 65. All Block Development Officers appointed direct should be trained as recommended in (paragraph 118.) 66. Co-ordination with the technical departments concerned can be best secured by the system described in (paragraph 120.) 67. If Block Development

(Officers are given administrative control over Co-operative Extension Officers, they should be properly trained in the theory and practice of Co-operation, and Co-operative Extension Officers should be given at least two years' field experience before being posted to a Block, (paragraph 120.) 68. Block Development Officers should not be liable to frequent transfer. (paragraph 121.) 69. The posts of Co-operative and Panchayat Extension Officer should not be combined. (paragraph 123.) 70. The National Extension Service through its co-operative staff should try to persuade groups of villagers of the same tribe or caste to reduce their expenditure on social ceremonies, where it seems out of proportion to their resources. (paragraph 125.)

The Madurai District Central Co-operative Bank Ltd., Madurai (South India)

Tale: { Grama "CENCOBANK"
{ Phone: "134"

THENI

Branches:

POST BOX NO. 14.

		DINDIGUL
Authorised Capital	Rs.	20,00,000
Paid up Share Capital	Rs.	13,10,805
Reserve Fund	Rs.	7,91,059
Other Reserves	Rs.	5,70,963
Working Capital	Rs.	2,10,31,082

Bankers for all Co-operative Institutions in the District
Drafts issued at concessional rates to all places of importance
of the Presidency.

All Types of Deposits Accepted
Rates of interest on Fixed Deposit range from 2½% to 4½%
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Enquiries Solicited

V. ALAGAPPAN, B.A., B.L.,
Secretary.

CASE STUDY

A Note on the Working of some Co-operative Land Colonization Societies in Madras

(Contributed.)

III Sivasankarapuram Co-operative Land Colonisation Society, Salem District

This society was registered on 28-1-1952 and started on its work on 5-4-1952 with a view to provide agriculture as an alternative occupation to the handloom weavers of Salem District, who were thrown out of employment consequent on the slump in the handloom cloth trade in 1949-50. The society was named after Sri P. Sivasankaran Pillai, B.A., B.L., the then Collector of Salem, who took keen interest in establishing the colony. The colony is situated within a distance of 1½ miles from Thalaivasal Railway Station in Attur taluk, Salem District and is connected by a metal road two miles in length from Thalaivasal formed exclusively as an approach road to this colony. The scheme formulated by the Special Development Officer, Salem envisaged the settling of 150 weavers in an extent of 770 acres of lands at 5 acres each in Pattuthurai village, Attur taluk, Salem District. In G.O. Ms. 5900 Development dated 5-11-1951, the Government assigned 770 acres of dry lands in the village in favour of the society and sanctioned Rs. 27,750 as grants and Rs. 48,750 as interest free loan for the execution of several capital works required for establishing the colony.

Membership and share capital: Though about 150 weavers remitted share suspense for membership in the colony only about 70 weavers moved to the colony and settled. Due to several reasons, such as failure of monsoon etc., only 22 persons were available at the time of starting of the society and they were admitted as

members. Subsequently, when the handloom trade improved the weavers were able to get employment and most of the members deserted the colony to their native places to take to their hereditary occupation of weaving. With a view to make the society work successfully, non-weavers and landless poor were also admitted. There are now 50 members on rolls with a paid up share capital of Rs. 2,500. Out of 50 colonists, 17 are actually residing in the colony and attending to cultivation.

Irrigation: There are no natural irrigation facilities in the colony. At present only one member is having a well sunk out of his own funds and he is carrying on garden cultivation. In G.O. Ms. 2843 Industries, Labour and Co-operation dated 27-8-1957, Government have sanctioned a subsidy of Rs. 7,500 and an interest free loan of Rs. 7,500 repayable in ten equal annual instalments to sink 15 new wells in the colony for affording irrigation facilities to the lands allotted to the existing members. The sinking of wells is in progress.

Cultivation: The lands being rainfed, generally dry crops like Samai, Kambu, Varagu, Cholan and Horsegram are grown. During Fasli 1366 an extent of 67.90 acres was brought under cultivation with crops such as paddy (2 acres) turmeric (1 acre) onions (1 acre) and other dry crops.

Financial assistance: The members were provided with financial assistance from Government by way of grant and interest free loans to the extent of

Rs. 6,105 and Rs. 10,554 respectively for reclamation of lands, for purchase of bulls, seeds, agricultural implements etc., The loan due by the society to Government is Rs. 4,805-94. It has no overdues. The society has no other borrowings. A sum of Rs. 5,248-63 is due from the members to the society under loans.

Subsidiary occupation: Poultry farming has been introduced in the colony. Ten members were supplied with white leghorns free of cost under the breeding scheme by the Block Development Officer, Attur. Three members have taken up weaving as their subsidiary occupation. The society has proposed to introduce sheep rearing in the colony as the area adjoining the colony is very conducive to this purpose.

General: With the provision of irrigation facilities, it is expected that a good number of persons is likely to come and settle in the colony.

II Gettisamudram Co-operative Land Colonisation Society, Coimbatore District

The society is situated at a distance of three miles from Andhiyur in the Bhavani Taluk, Coimbatore District. The society

Purpose

Purchase of bulls
Purchase of manure
Digging of wells
Sheep rearing
Bee-keeping
Handloom Weaving.
Share Capital
Purchase of seeds
Purchase of implements
Reclamation
Under well subsidy scheme

was registered on 5-9-1942 and started on its work on 12-11-1942.

Membership and Share Capital: There are 82 members on the rolls of the society with a paid up share capital of Rs. 1,908. Out of these 82 members, 69 belong to scheduled castes (Harijans); 78 members are actually residing in the colony.

Working of the Society: In G.O. 3189 Revenue dated 28-12-1943, Government assigned an extent of 406.05 acres in favour of the society. Of this 405.03 acres were distributed to the colonists at about 5 acres each. Further an extent of 8.99 acres of land has been set apart for house sites and 4.88 acres for grazing purposes. Out of 406.05 acres alienated to the society, 147.06 acres have been brought under garden cultivation and the balance under dry cultivation. At present 325.43 acres are under cultivation. Crops such as cotton, turmeric, paddy and other dry crops are raised.

Irrigation: There are 33 irrigation wells in the colony for affording irrigation facilities.

Financial Assistance: The following grants and interest free loans were sanctioned by Government.

Grant	Interest free loan
Rs.	Rs.
7,750	6,250
2,070	
9,620	9,175
1,200	
100	
25	
820	
700	
	748.75
	675
	3,000

All the above loans have been cleared by the society. The society however owes a sum of Rs. 6,114.58 towards takkavi loans.

Subsidiary occupation: About 40 persons are engaged in subsidiary occupations such as sheep rearing, poultry farming, bee-keeping and shoe making.

The management of the society vests in a Board of Directors consisting of seven members elected by the General Body. The society is having the free services of a Senior Inspector, who is supervising the affairs of the society along with two other land colonisation societies viz., Andhiyur and Athani in Bhavanf taluk.

General: By joining the land colonisation society, the economic condition of the members has considerably improved. The members of the colony are leading a happy and contented life.

III The Kangeyampatti Co-operative Agricultural Colonisation Society, Tanjore Dt.

The society was registered on 18-2-1943 and started on its work on 13-3-1943. The area of operations of the society is confined to the Revenue village No. 14, Kangeyampatti and its hamlets Chinnakangeyampatti and Vinna-noorpatti in Tanjore taluk. The society was organised for the betterment of the Harijans of the locality.

In G. O. Ms. 2272, Revenue dated 9-8-1943, Government assigned an extent of 129 acres in the tank bed of the abandoned Kadakkan Eri in Kangeyampatti village in favour of the society. The entire lands lie in a compact block. Under the scheme, 63 landless harijans of the locality

were admitted as members of the land colonisation society during 1942-43 and lands allotted at 2 acres each. All the members settled in the colony and undertook reclamation and cultivation work with the financial aid provided by Government, Rs. 8,125 as grants and Rs. 8,468 as interest free loans repayable in 5 years for purchase of bulls, agricultural implements, seeds, manures etc. Each member has completed the reclamation work in the land allotted to him with his individual efforts and the entire extent of 124 acres held by all the 63 members has been brought under wet cultivation.

In G. O. Ms. 1050, Revenue dated 5-5-48, Government assigned an additional extent of 78 acres in favour of the society. The society admitted 34 more members and allotted them 68 acres for reclamation and cultivation. As these members were not sanctioned any financial assistance for purchase of bulls, implements, seeds and manure, short-term credit facilities obtained from the Co-operative Central Bank were provided to them for carrying on their agricultural operations. Thus, there were 97 members in the colony with a paid up share capital of Rs. 1,758. During the current fasli about 179 acres were brought under paddy cultivation. The average yield of paddy is estimated to be nearly 14 bags per acre. The lands are irrigable by the Grand Anicut Canal. Government have charged land value at Rs. 60 per acre for the entire lands assigned to the society and the total land value is payable in 20 annual instalments. The society has got an outstanding of Rs. 3,792 out of the short term loan of Rs. 7,200 borrowed by it from the Central Bank for issue to members for the purchase of seeds, manure etc.

There is a Harijan Welfare Elementary School in the colony to educate the children of the colonists. There is a local fund dispensary at Budalore, about 4 miles away from the colony. Officers of other departments are helping the colonists, whenever needed. The society owns a pucca godown constructed out of Government subsidy of Rs. 7,295

in 1953 where the produce of the members are stored and arrangements made to dispose of their produce to the best advantage of the members.

The colonists are able to get a fairly good income from their lands. There is considerable improvement in their socio-economic condition.

THE NILGIRIS CO-OPERATIVE MARKETING SOCIETY LTD. OOTACAMUND.

SRI H. B. ARI GOWDER, B.A.,
President.

Wholesale dealers in Nilgiris Potatoes.

Number of Members :

Individuals	...	3156
Agricultural Societies	...	138
Paid up Share Capital	...	Rs. 1,05,470
Reserve Fund	...	Rs. 4,12,818
Other Reserves	...	Rs. 4,05,689
Value of Potatoes, Tea and Coffee Manure Mixtures sold (1956)	...	Rs. 22,89,298
Value of Potatoes sold (1956)	...	Rs. 21,25,056

Undertakes daily or weekly supplies of potatoes to consumers' Co-operative Stores and others.

For terms, apply to :

TELEGRAMS : " COOPERATE "

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Head Office, OOTACAMUND: 3412

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K. P. RAMUNNI MENON,
Business Manager, Nilgiris
Co-operative Marketing
Society Ltd, Ootacamund.

CO-OPERATIVE CONFERENCES AND MEETINGS

Proceedings of the 27th Conference of Primary Land Mortgage Banks held at Madras on 29-4-58.

WELCOME ADDRESS

By

SRI N. S. RAMALINGAM, B.A., M.L.A.,

President, The Madras Co-op. Central Land Mortgage Bank.

Hon'ble Shri Venkataraman and Brother Co-operators.

It gives me great pleasure to extend a hearty welcome on behalf of the Board of Directors of the Madras Co-operative Central Land Mortgage Bank and myself to the Hon'ble Minister for Co-operation and the other friends gathered at the 27th Conference of Primary Land Mortgage Banks. Since the last Conference, our bank has been reconstituted consequent upon the Reorganization of States. I also specially extend a hearty welcome to the representatives of the Kanyakumari District, who are attending this Conference for the first time. Since now our State is a homogenous Tamil speaking unit and in concurrence with the policy of the Government, we have decided to conduct the affairs of the bank in Tamil as far as possible and we are making a start towards that end.

Since we met last on 19th February 1956 we have conducted seven regional conferences at various centres of the State to have intimate contact with the Representatives of primary banks and the staff and to study at close quarters the problems that face them in their day-to-day work. It is now proposed to hold refresher classes at various centres in

the State and I hope that the Government will soon approve the idea. I take this opportunity to thank the Government for the subsidy proposed to be given for running these classes. In view of this and in deference to the wishes of many of the shareholders it has been decided to continue to hold these annual conferences in future.

As a result of the reconstitution of the bank seven primary banks in the Malabar and South Kanara Districts and the Kollegal taluk in the Coimbatore District got disaffiliated from us. Ten new banks have been started and affiliated to us. The total number of banks as on this day comes to 76. The transfer of assets and liabilities of the disaffiliated banks is yet to be finalised and steps are under way to solve all outstanding problems at State level. I wish and pray that it should be completed as quickly as possible, since it affects our profit position also.

During the period under review, the phased programme for the development of Land Mortgage Banks under the Second Five Year Plan was kept up as will be evident from the figures furnished below :

Year	Amount of loans disbursed for		Total
	Land Improvement	Discharge of prior debts	
	Rs.	Rs.	Rs.
1954-55	5.39 lakhs.	32.01 lakhs.	37.40 lakhs.
1955-56	12.38 "	45.46 "	57.84 "
1956-57	29.04 "	37.42 "	66.46 "
1957-58	19.51 "	20.00 "	39.81 "

(as on 9-4-'58).

This bank is paying its full attention and care to see that the requirements of the small ryots are

met with in entirety to the extent he is eligible to it. The following statement will bear it out:

	No.	Loans disbursed during 1955-56.	No.	Loans disbursed during 1956-57.
		Rs. Amount.		Rs. Amount.
Rs. 500 and below	56	20,690	53	20,280
Between 501 & 1,000	491	3,46,435	455	3,20,920
Between 1,001 & 2,000	847	11,40,725	862	11,59,255
Between 2,001 & 3,000	438	9,85,980	541	11,96,035
Between 3,001 & 4,000	260	8,41,120	263	8,52,720
Between 4,001 & 5,000	134	5,77,375	147	6,34,000
Between 5,001 & 10,000	231	14,51,475	260	16,13,200
Above 10,000	37	4,20,900	72	8,49,600
Total	2,494	57,84,700	2,653	66,46,910

The success of the Phased programme during the last two years is due in a large measure to the enthusiasm evinced by the Managements of primary banks and to the help rendered by the Government like providing additional Co-operative Sub-Registrars and subsidising the cost of additional Supervisors etc., and to the assistance and advice given by the Registrar of Co-operative Societies and the Department. The bank now is emphasising on the issue of loans for productive purposes. It has been the policy of the Central Land Mortgage Bank to give a high priority for land improvement loan applications. Primary Banks have also been advised to popularise loan applications for land improvement purposes. To meet this demand, we have drawn up a scheme for flotation of rural debentures. The salient features of this scheme are:

(i) The period of debentures will be 7 years;

(ii) The rate of interest shall be $4\frac{1}{2}$ to 5 per cent;

(iii) The margin between the borrowing and the lending rate will be reduced by $\frac{1}{4}$ per cent;

(iv) The scheme of sinking funds will be on the same lines as in the case of present debentures;

(v) The encumbrance certificate will be restricted to 13 years instead of 23 years;

(vi) Full exemption from payment of encumbrance certificate fees and registration charges; and

(vii) The borrowing limit has been fixed to a maximum of Rs. 5,000.

I hope the Government will soon approve the scheme and that these debentures will receive the generous support of the agriculturists. While on this subject I have also to refer to the significant departure in regard to the issue of debentures made by the Central Land Mortgage Bank in 1956-57. The flotation of debentures for 15 years was done in order to find finance for loans for 15 years for land improvement.

However, it has been our experience that on account of the unsettled conditions of the money market, the bank had to face difficulties in getting the debentures readily subscribed. The debentures of the Central Land Mortgage Bank represent the most important source by which the working funds are raised. Though the debentures are guaranteed by the Government and are approved securities and also offer the best media for investment of long-term funds, I am sorry to note that the encouragement received from the Life Insurance Corporation and the State Bank of India is very poor. After much pleading these institutions have made only token investments in our recent debentures. While on the one hand Land Mortgage Banks have to increase their loaning commitments and incur necessary expenditure, the available source of investment in debentures has not been progressively sustained. I am aware that this is a problem which is common to all Land Mortgage Banks in the country. It is, therefore, essential that the State Bank of India and the Life Insurance Corporation of India should subscribe an appreciable percentage of each issue of debentures. I request the State Government to take up this question with the Government of India, and the Reserve Bank of India for a satisfactory solution.

The Central Land Mortgage Bank has been urging from time to time for a reduction in the rate of interest on loans issued to the unlimited borrower. The Registrar of Co-operative Societies and the Central Land Mortgage Bank have suggested that Government may be pleased to subsidise the Central Land Mortgage Bank the difference between the usual lending rate to the ultimate borrower and the concessional rate as is being done in the Western countries. It may

also be pointed out that the Narayanaswami Pillai Committee has strongly supported and recommended the granting of subsidy by the Government. In this regard we have already waited on deputation on the Hon'ble Minister, who is in our midst to-day, and I hope favourable and final orders of the Government in this behalf will be issued soon.

At successive conferences, the plea has been raised that the basis and method of valuation should be revised in order to make long-term credit available to a large percentage of rural population. In this context, the Board have recommended to the Government that land values may be increased by 50 per cent of the prewar values and the value of produce by 40 per cent over the prewar rates. At this stage, I wish to point out that the Andhra Government have recently passed orders that 40 per cent above prewar value of land and 30 per cent above the prewar value of produce may be adopted. I intend to point out how unrealistic it is now to adopt the price of paddy at Rs. 5-12-0 per bag plus 20 per cent. Distinguished visitors from foreign countries and from other parts of our country have pointed out the necessity to revise our standard to a realistic position. I request the Government to pass necessary orders at an early date.

It is really regrettable that a large number of ryots in the ex-zamindari area are not able to take advantage of the Land Mortgage Bank Movement, since their areas have not been surveyed and settled and validated. I request the Government to expedite the completion of this item of work as early as possible so that the agriculturists of those places also may be benefited by institutional credit.

Year after year at every conference, we have pointed out the

unjustness in collecting the cost of Government staff from us since the nature of work done by them is not in any way different from the nature of work by the other Government staff in the Development Department. The expenditure is mounting from year to year and any reduction in this regard will go a long way to reduce to that extent the rate of interest to the ultimate borrower. I earnestly request the Hon'ble Minister to pass favourable orders early so that the benefit may be passed on to the ultimate borrower.

During the last three years, the position of members overdues has been causing grave anxiety to the Central Land Mortgage Bank. The position has been deteriorating and the Central Land Mortgage Bank had to request the Registrar of Co-operative Societies to appoint special Sale Officers to attend to the quick disposal of execution petitions filed by primary banks in areas, where the overdues are found to be heavy. I request the primary banks to make strenuous efforts to see that their members discharge their obligations on the due dates without fail and also to collect the overdue instalments at an early date.

Another problem which faces the Land Mortgage Bank Movement in the State is the proposed land legislation. I am sure that since the Government have guaranteed the debentures of the Central Land Mortgage Bank they will see to it that the interest of the bank not only in respect of the loans already issued but also in respect of loans to be issued in future is protected.

An important event since we met last is the publication of the very valuable report of the

Narayanawami Pillai Committee on Co-operation. The recommendations of the Committee made in the report are very far reaching and have an important bearing. I hope the Government will take early steps to give effect to those recommendations.

The bank has been functioning for the last 27 years. It has also recently celebrated its silver jubilee and has earned a name and reputation far and wide. As part of our silver jubilee celebrations, we decided to own a building. The present building which we are occupying is not sufficient for our purpose. It is very difficult to hold the General Body Meeting and Conferences and to provide adequate seating arrangements for lunch or tea. Further, we are paying additional rent for the office of the Deputy Registrar for Land Mortgage Banks, Madras. It is rather strange that when even smaller institutions in rural parts have their own buildings, a premier institution like ours is not allowed to own one. In this connection I may also point out that many Central Land Mortgage Banks are already owning buildings and the Andhra Central Land Mortgage Bank is taking steps to own one. I request the Government to kindly permit us to have a building of our own.

As per the wish of the Board, we are distributing the prizes for the best working bank in the State and in each district. This year the rolling shield for the year 1956-57 has been annexed by the Primary Land Mortgage Bank. I request the Hon'ble Minister to distribute the prizes.

I thank the Hon'ble Minister for having found time in the midst of his multifarious duties to grace the conference with his presence. He has complete faith in our

movement and his sympathy for the poor is well known. I now request the Hon'ble Minister to inaugurate the Conference.

INAUGURAL ADDRESS

BY

SRI R. VENKATARAMAN, M.A., B.L., M.L.C.,
Minister for Industries, Labour, Co-operation, Madras

Sri Ramalingam and Brother Co-operators.

I am grateful to your President for having invited me to inaugurate the 27th Conference of Primary Land Mortgage Banks in the State. It is indeed a very happy idea to have convened such a conference, where the representatives of all Primary Land Mortgage Banks could come together, exchange views and seek a solution to their common problems. The progress of Land Mortgage Banks in our State has evoked the admiration of Co-operators from all over the country and the other States are now trying to develop a similar well-knit co-operative structure for dispensation of long term credit.

The development of Land Mortgage Bank system in our State is the result of a wise combination of State help and voluntary effort. The Government have guaranteed the debentures floated by the Central Land Mortgage Bank up to a limit of Rs. 700 lakhs. They have been providing temporary loans to the Central Land Mortgage Bank to enable the Bank to accumulate mortgages to a sufficient extent and to float the debentures, when conditions in the money market are propitious. The Government have also extended certain concessions under the law of registration to members of Primary Land Mortgage Banks. The success that has already been achieved in the sphere of Land Mortgage Banking is due to the tireless efforts of co-operators and the assistance and encouragement

they have received from the Government.

The need for intensifying the activities of the Land Mortgage Banks has been recognised in the Second Five Year Plan of the State. We have programmed to set up 23 new Land Mortgage Banks and I am glad that of these, 10 new Banks have already been started. I am also happy to find that the loans disbursed by Land Mortgage Banks have increased from 37.40 lakhs in 1954-55 to 66.46 lakhs 1956-57. The importance of Co-operative Land Mortgage Banks has considerably been enhanced on account of the emphasis currently placed on improvement of production in agricultural sector. It cannot be over emphasised that the success of our Second Five Year Plan will largely be determined by the extent to which we are able to stimulate production in agriculture and thereby reduce our dependence on imports of food grains. The increase of production in the agricultural sector will depend to a very large extent on better utilisation of our land resources by provision of irrigation facilities, by reclamation of waste lands etc. All these improvements could be brought about only if there was an agency which could provide the long term credit needed for such purposes at fair rates of interest. The Land Mortgage Banks in our State have, therefore, an important role to play in stepping up agricultural

production and thereby ensuring the success of the Second Five Year Plan.

Your President has in his address covered a very large ground and has referred to the various problems facing the Land Mortgage Banks. He has rightly stressed on the need for the issue of loans for productive purposes. The Land Mortgage Banks came into existence at the time of the great depression in the '30s, when the agriculturists had been hit hard by falling prices and were heavily indebted to moneylenders. The Land Mortgage Banks in the initial years, therefore, rightly concentrated on the issue of loans for discharge of prior debts. But the burden of rural indebtedness has now been considerably lightened on account of legislation for relief of indebtedness and the rise in prices in recent years. We should now, therefore, concentrate on improving the level of earnings in agriculture by improvement of production, so that the agriculturists may not get into debt. The Central Land Mortgage Banks have, therefore, to attach greater importance to the issue of loans for productive purposes. In this connection, your Bank proposed that the rate of interest on loans for land improvement might be fixed at $3\frac{1}{2}$ per cent and that Government might provide a subsidy to the Central Land Mortgage Bank, to cover the difference between the normal lending rate of $6\frac{1}{2}$ per cent and the concessional rate of $3\frac{1}{2}$ per cent. The State Government appreciated the stand taken by the Central Land Mortgage Bank and felt that loans for purposes of land improvement should be made available at least at a concessional rate of $4\frac{1}{2}$ per cent. The Government of India were addressed for financial assistance to enable the Central Land Mort-

gage Bank to reduce the rate of interest on productive loans. I am, however, sorry to inform you that the Government of India have declined to grant any financial assistance, as there is no provision in the Plan for subsidies for such purposes.

Your President has referred in his address to the need for revising the basis of valuation of lands so that the Land Mortgage Banks might serve a larger section of the rural population. I am aware that there is a very large section of expert opinion which holds that the present method of valuation of the hypotheca at not more than 25 per cent above the pre-war values and the produce at not more than 20 per cent of the pre-war values is unduly conservative and results in the denial of cheap long term credit to a large section of agriculturists. The Narayanaswami Pillai Committee also considered this issue and recommended that it might be safe to adopt 40 per cent over pre-war values as the basis for valuation of hypotheca. You will agree with me that any revision of the present mode of valuation can be made only after very careful examination of all the suggestions made. We have built up a structure with Primary Land Mortgage Banks at the base and a strong Central Land Mortgage Bank, at the apex and the financial stability, of this structure will depend largely on the adequacy of the security of the lands mortgaged to them. The Government have, therefore, decided that an Officer should be deputed to study and to make an on the spot examination of the present method of valuation and the actual market value in typical cases and report the extent to which the present method of valuation is unrealistic. On receipt of the report of the Officer, the

Government will examine the various suggestions made by the Narayanaswami Pillai Committee and your President in his address and take an early decision.

Your President has also referred to the anxiety entertained in certain quarters that the land reforms contemplated in the State should not affect the financial stability of the Land Mortgage Bank system. The tenancy reforms already effected in this State have not so far caused any serious financial embarrassment to our Land Mortgage Banks presumably because our method of valuation of lands has been conservative. The Government have a large stake in the financial stability of the Central Land Mortgage Bank, as they have guaranteed the debentures floated by the Bank from time to time. There is, therefore, no reason to fear that the Government will ignore the interests of the Land Mortgage Banks in settling the broad lines of land reforms legislation.

Your President has referred to the scheme drawn up for floatation of rural debentures. This scheme will help in the mobilisation of rural savings, besides making funds available to agriculturists for land improvement schemes. The Government will sanction the scheme as soon as the views of the Central Land Mortgage Bank are obtained on certain points regarding valuation of lands referred to them. The Central Land Mortgage Bank has been looking very largely to co-operative institutions for subscriptions to their debentures. I think the time has come when they should tackle the private investors in the rural areas in a big way and canvass subscription for their rural debentures. The Directors of Primary Land Mortgage Banks, who command

influence in their respective areas have a great part to play in popularising the debentures in rural areas. The Government will move the Life Insurance Corporation and the State Bank of India as suggested for subscriptions to debentures of land mortgage banks on a larger scale. But assistance received from such institutional investors can be only marginal and we should depend more and more on the investors in the rural sector.

Your President has referred to the proposals for the purchase of a building for the Central Land Mortgage Bank. Your President is fully aware of the circumstances under which the Government had to advise the Bank against such a purchase. You will agree that at a time, when all our resources have to be mobilised and made available for land improvement loans, it may not be desirable for the Central Land Mortgage Bank to utilise its general funds for acquisition of a permanent asset like an office building. I may also add that in taking the decision the Government were guided by the advice tendered by the Reserve Bank.

However, I shall examine the matter again, if the Conference so desires.

The President has made a plea that Government should bear the cost of departmental staff employed to assist the Central Land Mortgage Bank. The Government are already meeting half the cost of Co-operative Sub-Registrars and peons; the request is now made that Government should bear the cost of entire staff including the two Deputy Registrars specially engaged for assisting the Central Land Mortgage Bank in their work. I can appreciate the argument that if the cost of staff is borne entirely by Government it may be possible for the ultimate borrower to get

the loans at a lower rate of interest. When a similar request was made some months back, the proposals were not pursued as we had then other suggestions in view for making loans for productive purposes available at a lower rate of interest. Now that Government of India have definitely declined financial assistance to subsidise the rate of interest, the request for free services of staff can be considered again. But you will however appreciate that for obvious reasons I cannot anticipate the orders of Government now.

I do not want to take more of your time as you have a heavy agenda before you. But before closing, I would like to stress the need for paying better attention to the needs of the small ryots. From the figures given in your President's address I find that while in

1956-57, the Bank had disbursed nearly Rs. 9 lakhs more than in 1955-56, this increase was more noticeable in respect of loans above 5,000 rupees. Of the additional amount of Rs. 9 lakhs disbursed in 1956-57 as much as Rs. 7 lakhs was in respect of loans above 5,000 rupees. I would therefore, request the primary and Central Land Mortgage Banks to realise the difficulties of the small ryots and to cater to their needs in a larger measure than hitherto. It is only the small ryots, who are more in need of cheap long-term credit for effecting essential improvements to their holdings and any assistance given to this class of ryots will assist us greatly in our programmes for stepping up agricultural production.

I wish your Conference all success.

RESOLUTIONS PASSED AT THE CONFERENCE

Rate of Interest

1. "Resolved to request the Government to facilitate the Co-operative Land Mortgage Banks to reduce the rate of interest from 6½ per cent to 5½ per cent to the ultimate borrower and to meet the difference in interest by Government subsidy or in the alternative the Government is requested to meet the entire cost of the Government staff deputed for Land Mortgage Bank work."

Development of Business

2. "Resolved to request Government to expedite the survey settlement and validation operations in Ex-Zamindari areas. Validation of survey may be done as and when the survey of lands in notified village is completed without waiting for the completion of the survey of all the other villages in the district."

3. "Resolved to request the Registrar to waive the restriction in granting loans above Rs. 10,000 for land improvement purposes only."

Refund of Share Capital

4. "Resolved to request the Registrar to permit the Primary Land Mortgage Banks to amend by-law 13 of the Primary Land Mortgage Banks so as to facilitate them to refund the share capital of members after the expiry of a year from the date of discharge of their loan instead of five years."

5. "Resolved to request the Registrar to permit the Primary Land Mortgage Banks to amend by-law No. 11 of primary banks so as to facilitate them to refund the share capital of members, who have cleared their loans either by adjustment of loan account or by transfer or by refund of the

amount at the time of the discharge of their loans."

Staff

6. "Resolved to request the Registrar and the Central Land Mortgage Bank to extend the privileges enjoyed by the Central Land Mortgage Bank staff, viz., casual leave, privilege leave, other leaves, gratuity on retirement, yearly bonus, medical concessions, etc., to primary bank staff also."

Miscellaneous

7. "Resolved to request the Registrar to issue a circular to Departmental Officers to give priority to the disposal of Execution Petitions filed by primary banks and also to amendments to by-laws sent by them."

8. "Resolved to amend the by-law No. 56 of the by-laws of the primary banks providing payment of dividend upto 5 per cent maximum."

9. "In order to commemorate the Silver Jubilee Celebrations, the General Body resolved on 28-10-1956 to purchase or construct a building of its own for the bank. This Conference reiterates the resolution of the General Body and requests the Government to reconsider the proposal and permit the bank to incur the necessary expenditure for the purchase of a suitable building."

10. "Resolved to request the Central Land Mortgage Bank to

send the General Body Notice and the administration Report amendment proposals etc., together i.e., one month in advance.

11. "Resolved that the system of furnishing list of mortgaged properties of all the loans every year to the Tahsildar as Registered Encumbrancer, be changed to a request to the Tahsildar to send a copy of the Gazette Notification, which they publish before any sale of land takes place for Revenue dues."

12. "Resolved that the annual return No. 3 (C. 28/56-57) on the inspection and condition report of the Oil Engines, Electric Motors and Pump sets by the Primary Bank staff, by the 5th of July every year, be changed to 20 per cent of such installations being inspected in the course of the year, covering the entire number in five years."

13. "The issue of loans on lands growing casurina is not allowed by the Central Land Mortgage Bank. The soil of such lands are as good as the other garden lands of the district. The value of casurina is also very high. In the circumstances the restrictions imposed on the issue of loans on the mortgage lands growing casurina should be removed."

14. "Resolved to issue a circular to all the primary banks regarding the conditions for the award of prizes."

A Report of the Inaugural Function of the Madras State Warehousing Corporation at Madras on the 2nd May 1958.

WELCOME ADDRESS

By

SRI R. VENKATARAMAN, M.A., B.L.
Minister for Co-operation, Labour and Industries.

Chief Minister, Chairman and Directors of the Madras State Warehousing Corporation and Gentlemen,

It gives me great pleasure to accord a most cordial welcome to the Chief Minister this evening on this historic occasion of the inauguration of the Madras State Warehousing Corporation. The establishment of the Corporation is, indeed, a landmark in the economic progress of the State. One of the draw-backs of our agricultural economy is the absence of facilities for storage of agricultural produce on scientific lines and the agriculturists prefer to sell their produce immediately after the harvest in a glutted market even at a low price in the absence of proper storage facilities provided by any of agencies engaged in agricultural marketing. Even the existing storage arrangements are not satisfactory and do not provide adequate protection against damage by insects, rodents, moisture etc. In the case of food grains, it has been estimated that losses in storage amount to about 3 million tons per year. Besides offering storage facilities on scientific lines, warehousing provides an effective means of developing agricultural credit. Several Committees and Commissions stressed the importance of warehousing in saving agricultural produce from decay and providing marketing finance to the agriculturists.

The Rural Credit Survey Committee set up by the Reserve Bank

of India recommended the establishment of warehouses throughout the country in its scheme of integrated rural credit and marketing and accordingly provision has been made in the Second Five Year Plan for the development of warehousing in the country. The Agricultural Produce (Development and Warehousing) Corporation's Act, which was passed by Parliament in 1956 provides for the setting up of a National Co-operative Development and Warehousing Board for promoting the planned development throughout the country of production, processing, marketing, storage and warehousing of agricultural produce through co-operative societies and warehousing corporations, a Central Warehousing Corporation at the National level and State Warehousing Corporations in each State for construction and provision of warehousing facilities on scientific lines throughout the country. During the Second Five Year Plan period, the Central Warehousing Corporation will set up 100 warehouses at trade centres of All India importance, while the State Warehousing Corporations will establish 250 warehouses at trade centres of State importance. In order to complete the chain of storage facilities in the country from the lowest level upwards, Government will assist co-operative

societies with loans and subsidies to set up warehouses and godowns at centres below the sub-divisional level, where no warehouses are run by the Warehousing Corporation. It is expected that additional storage accommodation of about 3 million tons will become available during the Second Five Year Plan period as a result of the efforts made by co-operative societies and Warehousing Corporations to set up warehouses.

In Madras, the Government set up the State Warehousing Corporation in December, 1957 under the Agricultural Produce (Development and Warehousing) Corporations' Act with an initial share capital of Rs. 20 lakhs, half of which was subscribed by the Government and the other half was subscribed by the Central Warehousing Corporation. The Board of Directors of the Corporation was constituted in March, 1958 with the Secretary to Government, Department of Industries, Labour and Co-operation as the Chairman. The functions of the Corporation are :—

(a) to acquire and build godowns and warehouses at such places within the State as it may, in consultation with the Central Warehousing Corporation, determine;

(b) to run warehouses in the State for the storage of agricultural produce, seeds, manure, fertilisers and agricultural implements;

(c) to subscribe to the share capital of co-operative societies engaged in the storage or warehousing of agricultural produce;

(d) to arrange facilities for the transport of agricultural produce to and from warehouses; and

(e) act as an agent of the Central Warehousing Corporation or of the Government for the purposes of the purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilisers and agricultural implements.

The first meeting of the Board of Directors of the Corporation has taken place this afternoon. The Corporation is expected to embark on its programme of warehousing in the State very soon.

During the Second Five Year Plan period, it will construct 11 warehouses at important trade centres in the State namely Ooty, Salem, Trichinopoly, Tirunelveli, Madurai, Vriddachalam, Rajapalayam, Pollachi, Kancheepuram, Nagapatnam and Vellore. Besides these State Warehouses, the Central Warehousing Corporation will put up warehouses in 5 centres in the State viz., Madras, Kumbakonam, Cuddalore, Coimbatore and Virudhunagar. During the current year, which is the third year of the plan period, the State Corporation has proposed to construct warehouses in six centres namely, Ooty, Salem, Trichinopoly, Tirunelveli, Madurai and Vriddachalam. Sites for construction of warehouses have already been selected in four centres. Pending the construction of warehouses in the six centres, the Corporation has proposed to run warehouses in hired accommodation. These warehouses will be licensed under the Madras Warehouses Act, 1951.

I have no doubt that with the establishment of warehouses by the Warehousing Corporation at the centres selected, the State will enter on a new era of agricultural prosperity. For under the warehousing scheme, the agriculturists and the traders will be

able not only to store goods in scientifically run warehouses, but also to get advances from banks for a substantial portion of the value of their goods to meet their urgent needs. The warehouse receipts issued by the licensed warehouses are recognised as negotiable instrument under the Warehouses Act and the depositor of goods in a licensed warehouse can secure credit in any bank on the pledge of the warehouse receipt without selling his goods. The warehouses that will be set up in the State will thus promote orderly marketing of agricultural

commodities, strengthen the holding power and bargaining position of the cultivator, finance agricultural produce and reduce seasonal fluctuations in agricultural prices. I wish the Madras State Warehousing Corporation every success in this great task that lies ahead of it and thank the Chairman and members of the Board of Directors of the Corporation for the opportunity they have given me to associate myself with this function this evening. I have now great pleasure in requesting the Chief Minister to inaugurate the Corporation.

INAUGURAL ADDRESS

BY

SRI K. KAMARAJ,
Chief Minister

Sri K. Kamaraj, Chief Minister to the Government of Madras inaugurated the Madras State Warehousing Corporation at a function held at the Rajai Hall on 2nd May 1958. The function was attended by a large gathering of officials, bankers, traders, co-operators and others.

Mr. K. Kamaraj Chief Minister inaugurating the State Warehousing Corporation said that the setting up of warehouses would be of great help to the poor agriculturists in not only providing faci-

lities for storage of their produce but also hold on their produce till they get a better price for their produce. The absence of accommodation for storing their produce resulted in serious handicaps to them as a result of which they had to sell their produce for whichever price they could get immediately after harvest. He stressed that the setting up of the State Warehousing Corporation would remove this vital handicap. He wished the Corporation a success.

S. R. KAIWAR'S ADDRESS

Sri S. R. Kaiwar, Chairman of the Corporation while proposing vote of thanks read messages of good wishes from Mr. M. Bhakthavatsalam, Minister for Agriculture, Mr. C. Subramaniam, Minister for Finance and others. He said that the Corporation had an

ambitious programme ahead and he was confident that its objects would be fulfilled with the support and co-operation of everyone concerned.

After singing of the National Anthem, the function came to an end.

G.O.'s AND CIRCULARS

G.O.'s and Circulars

HOUSING SOCIETIES—SCRUTINY OF TITLE DEEDS—LEGAL FEES.

Copy of the G. O. Ms. No. 4330, dated 30-12-57, Department of Industries, Labour and Co-operation, Government of Madras.

Housing—Co-operative Housing Societies—State Loans—Title deeds relating to sites etc. offered as security for loans—Scrutiny by Government Pleaders—Payment of fees—Revision—Orders passed.

READ AGAIN:

G. O. Ms. No. 495, Industries, Labour and Co-operation, dated 27-2-54.

READ ALSO:

From the Registrar of Co-operative Societies letter No. Rc. 11625/56Z (ii) dated 5-9-57.

From the Additional Government Pleader, High Court, Madras-1, letter No. 11006, dated 28-10-57.

ORDER:

In G.O. Ms. No. 495, Industries, Labour and Co-operation Department dated 27-2-54, it was ordered that a fee of $\frac{1}{2}$ per cent on the amount of the Government loan applied for, subject to maximum of Rs. 30 for each case, might be charged by the Government Pleaders for the scrutiny of title deeds relating to the sites or property offered as security for loans sanctioned by Co-operative Housing Societies.

The Second Madras State Co-operative Housing Societies Conference has resolved that the fees payable to Government Pleaders for scrutiny of title deeds may be fixed at Rs. 10 for each application of loan not exceeding Rs. 5,000, and Rs. 20 for Rs. 5,000 and not above Rs. 15,000. The Registrar of Co-operative Societies has en-

dorsed the resolution of the Co-operative Housing Societies Conference and has proposed that the scale of fees payable to Government Pleaders may be refixed as suggested by the Conference. The Government have examined the proposal in consultation with the Government Pleader, Madras. In partial modification of the orders issued and G. O. Ms. No. 495, Industries, Labour and Co-operation Department dated 27-2-54 the Government direct that a fee of half per cent on the amount of the Government loan applied for, subject to a minimum of Rs. 10 and a maximum of Rs. 25 in each case, may be charged by the Government Pleaders for scrutiny of title deeds referred to them for opinion, by Co-operative Housing Societies.

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MARKETING SOCIETIES—SCRUTINY OF TITLE DEEDS—
LEGAL FEES.

Copy of G.O. Ms. No. 4328 Department of Industries, Labour and
Co-operation dated 30-12-57.

Co-operative Societies—Marketing Societies construction of godown
and installation of processing plants—Scrutiny of title deeds relating
to sites—Scale of fees—Orders passed.

Read the following:—

From the Registrar of Co-operative Societies Rc. No. 141010/57C3
dated 29-9-57.

ORDER:

Under the Second Five Year Plan 245 godowns will be constructed by small-sized and large-sized rural credit societies and primary marketing societies. The Government are granting financial assistance by way of loans and subsidies for the construction of these godowns. It is therefore necessary that the titles of the sites wherein the societies propose to construct godowns are properly scrutinised and competent legal opinion is obtained before proceeding with the construction. Similar assistance is also given by the Government for the installation of processing plants. The question of fixing fees to Government Pleaders for the scrutiny of the title deeds of sites selected for construction of godowns and installation of processing plants by Co-operative Societies has therefore been examined in consultation with the Registrar of Co-operative Societies.

2. The Registrar of Co-operative Societies has suggested that

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HOUSING COLONIES—PROVISION OF SERVANTS QUARTERS

Copy of Government Memorandum No. I05783 (a) SI/57-6,
Department of Industries, Labour and Co-operation dated 20-2-1958

SUB: Housing—Housing colonies—Provision for Servants' Quarters.

The Government consider that in the layouts to be proposed for housing colonies in future, provision should be made separately within the colony for servants quarters also. The Director of

the fee payable to Government Pleaders by Co-operative Societies for the scrutiny of title deeds relating to the sites selected by them for the construction of godowns or installation of processing plants with assistance by way of subsidies or loans from Government be fixed at half a per cent on the value of the site concerned subject to a minimum of Rs. 10 and a maximum of Rs. 30. The Government accept the proposal of the Registrar of Co-operative Societies and direct that all Government Pleaders in the State should examine the cases of titles referred to them for opinion by the Co-operative Societies in their respective areas in connection with the proposals referred to above and send their opinions as promptly as possible. They also direct that half per cent on the value of the site concerned subject to a minimum of Rs. 10 and a maximum of Rs. 30 for each case may be charged by the Government Pleaders for the scrutiny of the title deeds.

town Planning is, therefore, putting up quarters for servants requested to see that in finalising and menials, either in one block he layouts for housing colonies for the entire colony or separately adequate space is provided for a group of few houses.

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LEGAL FEES—SCRUTINY OF TITLE DEEDS RELATING
TO SITES SELECTED FOR INSTALLATION OF
GODOWNS AND PROCESSING PLANTS

Copy of G. O. Ms. No. 747, Dated 25-3-1958, Home Department,
Government of Madras.

Law Officers—Mofussil—Government Pleader—Scrutiny of title deeds relating to sites selected by Co-operative Societies for the construction of godowns or installation of processing plants with assistance by way of subsidies or loans from Government—Remuneration—precis of Standing Orders—amended.

Read the following:

G. O. Ms. No. 1,040 Home dated 4-4-1956.

G. O. Ms. No. 4,328, Industries, Labour and Co-operation dated 20-12-1957.

ORDER:

The following amendment will be made to the precis of Standing Orders relating to duties and remuneration of Law Officers of the Government in mofussil issued with the G. O. No. 1,040, Home, dated 4-4-1956.

AMENDMENT

In Part of the Annexure to the to the said order—

(i) In Standing Order No. 2, the following shall be added, at the end of the first sub-paragraph.

“They should also examine the cases of title deeds relating to sites selected by Co-operative Societies for the construction of godowns or installation of processing plants with assistance by way of subsidies or loans from Government which are referred to them for opinion by Co-operative Societies in their respective areas and send their opinions as promptly as possible”.

(ii) The following shall be inserted after paragraph 14 of the Standing Orders—

“14—A Fees to Government Pleader for scrutiny of title deeds relating to sites selected by Co-operative Societies for construction of godowns or installation of processing plants:

A fee of half a per cent on the value of the site concerned subject to a minimum of Rs. 10 and a maximum of Rs. 30 for each case will be paid to the Government Pleader, for scrutiny of title deeds referred to above”.

(True Copy)

CO-OPERATIVE FARMING—SPECIAL OFFICER'S REPORT—GOVERNMENT ORDERS THEREON

Copy of G. O. Ms. No. 1192, Department of Industries,
Labour and Co-operation dated 28-3-1958.

ABSTRACT

Co-operation—Co-operative farming—Investigation of farming schemes—Report of Special Deputy Registrar—Recommendations—Orders passed.

READ AGAIN :

G. O. Ms. No. 1,705, Industries, Labour and Co-operation dated 11-5-1955.

READ ALSO :

From the Registrar of Co-operative Societies, letter R. C. No. 1,52,637/54 C. (R) dated 10-4-1956.

From the Registrar of Co-operative Societies, letter R. C. No. 1,52,637/54 C. (R) dated 22-4-1956.

From the Registrar of Co-operative Societies, letter R. C. No. 1,52,687/54 C. (R) dated 12-11-1956.

From the Registrar of Co-operative Societies, letter R. C. No. 1,52,637/54 C. (R) dated 8-11-1957.

ORDER :

In pursuance of the decision of the Government or the recommendations of the Land Revenue Reform Committee on Co-operative Farming, the Government in May 1955 sanctioned the post of a Special Deputy Registrar for investigating the possibilities of organising Co-operative collective farming, joint farming and better farming societies in this State. He was also permitted to study the working of similar types of societies in the States of Bombay and Uttar Pradesh. The Special Deputy Registrar submitted his report to the Government in April 1956.

The Government have carefully examined the report and the recommendations made therein in consultation with the Registrar of Co-operative Societies and proceed to pass the following orders on the recommendations.

Recommendation No. 1.

Separate co-operative Better Farming Societies are not necessary and need not, therefore, be organised.

The recommendation is accepted generally but the formation of separate co-operative better farming societies in individual cases where there is need for such societies need not be ruled out.

Recommendation No. 2.

A brochure in Tamil and the Regional languages may be published and circulated among all interested in the promotion of co-operative farming.

The Government in the Public (R.D.P.) Department have already printed and circulated a pamphlet in Tamil on Co-operative Farming.

Recommendation No. 3.

In future, wherever Government lands are to be given to Co-operative Tenant or Collective Farming Societies, they should be reclaimed and rendered fit for cultivation by the Government before forming the society and inviting the members to settle down on them.

The Government have already ordered in G. O. Ms. No. 4737, Industries, Labour and Co-operation dated 17-11-1956 that they will be prepared in deserving cases to provide irrigation facilities at Government cost and recover such cost later in suitable instalments. In view of these orders, no separate action is considered necessary.

Recommendation No. 4.

Future assignments of Government land after reclamation may be in favour of Co-operative Collective Farming societies instead of tenant farming societies.

The Government consider that a decision as to the type of farming society to be organised (collective farming, tenant farming and joint farming) can be taken on the merits of each case.

Recommendation No. 5.

State aid to tenant farming societies may be continued on the present scale minus the loans for land reclamation as reclamation is recommended to be done even before assignment.

The recommendation is accepted.

Recommendation No. 6.

A body to be known as the State Co-operative Farming Board may be constituted.

The recommendation is accepted. Separate orders constituting the Board are being issued.

Recommendation No. 7.

Subsidies to Tenant Farming Societies may continue on the

present basis and subsidies to Co-operative Collective and Joint Farming Societies may be based on the results of farming operations year after year.

The Government agree that the pattern of assistance to tenant farming societies (Land Colonisation Societies) may continue as at present. As regards pattern of assistance for co-operative joint farming societies, the matter is under consideration.

Recommendation No. 8.

A fund to be known as the State Co-operative Farming Fund may be instituted.

The Government consider that a separate fund need not be constituted and that the expenditure may be met from the annual budget allotment.

Recommendation No. 9.

A target of two collective joint farming societies for each district in the next three years may be fixed.

The Government consider that no specific target need be prescribed but that the aim should be at forming roughly one society in each National Extension Service and Community Development Block.

Recommendation No. 10.

If a member of a Joint Farming society is obliged to part with a portion of his lands on account of fixation of ceiling on holdings, the tenant who will acquire the right of ownership must be compelled by the same law to cultivate it through the society by joining the scheme.

The Government consider that the following principles may be adopted if and when any land reforms are taken up. It may be ensured that in regard to consolidated holdings, co-operative farming is brought into practice in such

areas. "It may be stipulated that ceilings on holdings do not apply to co-operative societies and that where individual ownership is affected as a result of ceiling on holdings, it may be ensured that function of societies is not interfered with in any way."

Recommendation No. 11.

Managements of temples should be directed to lease the temple lands in favour of co-operative collective farming societies composed of the agricultural labourers now cultivating them. The intermediaries taking up the lease of such lands but getting them cultivated through the labour of others should be eliminated by appropriate provision in the law. This recommendation may be operate in lots of temple land exceeding 100 acres.

According to the Madras Cultivating Tenants Protection and Payment of "Fair" Rent (Amendment) Ordinance 1958, sub-tenant of holdings under a landlord should be deemed to be cultivating tenant if the lessor of such sub-tenant has ceased to be the tenant of sub-landlord. After the expiry of the lease period, the intermediary should cease to be tenant of the temple (landlord). But the such tenant of the intermediary will become a cultivating tenant of the holdings under the temple (landlord) as the intermediary has ceased to be the tenant of the temple. Thus such sub-tenant cannot be evicted from the temple lands after the expiry of the lease period he will continue to cultivate the temple lands or the payment of lease rentals. Thus the question of leasing of lands to the tenant farming co-operative societies in preference to others does not arise.

Recommendation No. 12.

Tenants of temple lands who refuse to join co-operative collec-

tive farms should be made to lose the rights of cultivation by appropriate provision in the law relating to land reforms.

The Government consider that the tenants should be made to understand the benefits that will accrue to them if they join collective farming societies and that no further action is necessary on this recommendation.

Recommendation No. 13.

Whenever rights of cultivation become transferable in the wake of land reform, the transfer may be made conditional or the transferee becoming a member of a collecting farming society comprised of such transfers in cases where the lands transferred are in compact blocks of not less than 100 acres.

It is considered that whatever be the final complexion of the land reform legislation, it should not result in the disintegration of co-operative farming societies and that it should encourage the formation of such societies.

Recommendation No. 14.

A course of study to be known as "Co-operative Farming Managers Course" may be introduced in the Co-operative College of Madras. The syllabus for the course may be prescribed by the Registrar.

The Government consider that the training of a cadre of Farm Managers who will have knowledge of agricultural operations as well as co-operative organisations is very essential. The Registrar of Co-operative Societies is requested to chalk out a suitable programme of consultation with the Director of Agriculture and submit it to Government.

Recommendation No. 15.

The services of Farm Managers may be provided free of cost

to co-operative and joint farming societies for some years on the recommendation of the co-operative farming board.

This will form part of the pattern of assistance to be given to co-operative societies and orders will issue separately.

(True Copy)

MADRAS GENERAL SALES TAX ACT—FRACTION OF A NAIYA PAISA—COLLECTION—REGARDING

Copy of G. O. No. 4272/Revenue Department dated 13th Nov. 57.
SUB: Tax—Madras General Sales Tax Act, 1939—Collection by dealers of tax involving fractions of a Naiya Paise—orders—passed.

Read the following papers:

G. O. No. Ms. 853, Revenue, dated 14th April 1948.

G. O. Ms. No. 2099, Revenue dated 2nd September 1948.

Read also:

From the Tamilnad Foodgrain Merchants' Association Ltd., Madurai, dated 28th August 1957 petition No. 99/57.

Reference from the Board of Revenue, dated 20th June 1957, No. A. 2624/57-1,

ORDER:

Whereas under section 8-B of the Madras General Sales Act 1939, read with rule 5-A(7) of the Madras General Sales Tax (Turnover and Assessment) Rules 1939, a registered dealer may collect any amount or amounts by way of tax of taxes under that Act at a rate or rates not exceeding the rate or rates specified in section 3, 5 or 5-A, or notified under section 6(1) of that Act.

And whereas a difficulty has arisen in the collection by dealers of tax involving fractions of a naye paisa under the decimal system of coinage;

Now, therefore, in exercise of the powers conferred by section 21 of the said Act, and in supersession of the orders in G.O. No. 853,

(By Order of the Governor),

Recommendation No. 16.

Special Deputy Registrar for farming may be appointed to function as the Secretary of the Co-operative Farming Board and to assist the Registrar in the Farming Branch.

The recommendation is accepted.

S. P. SRINIVASAN,
Deputy Secretary to Government.

(True Copy).

Revenue, dated the 14th April, 48, the Government of Madras hereby directs that, for purposes of collecting tax under the said Act, the tax shall be calculated on the actual amount for which goods are sold and when such calculation of tax results in decimal fractions of a naye paisa, decimal fractions of less than half a naye paisa shall be ignored and decimal fractions of half a naye paisa and above shall be treated as one naye paisa.

2. In modification of their orders in G. O. Ms. No. 2099, Revenue dated 2nd September '48 the Government direct that the procedure laid down in paragraph 1 above should be followed in respect of all sales by the departments of this Government also.

HARIJAN SOCIETIES—REGISTRATION FEES— EXEMPTION—REGARDING

Copy of G. O. Ms. No. 1752, dated the 6th May, 1958, Department of Industries, Labour and Co-operation.

ABSTRACT

Co-operative Societies—Harijan Societies—Exemption from registration fees—Amendment to notification—Issued.

READ:—

G.O. Ms. No. 99, Industries, Labour and Co-operation, dated 10-1-1958.

From the Registrar of Co-operative Societies, letter Rc. No. 49640/57-V, dated 26-1-58.

ORDER:

To be in conformity with the orders in G.O. Ms. No. 1665, Industries, Labour and Co-operation, dated 20-4-56, the Government consider that the notification published in G. O. read above should be suitably amended. They accordingly direct that the following notification be published in the Fort St. George Gazette:—

1932 (Madras Act VI of 1932), the Governor of Madras hereby makes the following amendment to the Industries, Labour and Co-operation Department Notification S.R.O. No. 527 of 1958 dated 10th January 1958 published at page 187 of Part I of the Fort St. George Gazette dated the 29th January 1958.

NOTIFICATION.

In exercise of the powers conferred by section 30(2)(b) of the Madras Co-operative Societies Act,

AMENDMENT.

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

(True Copy)

STRENGTHENING OF DEPOSIT—HOLDINGS

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

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

Rc. No. 219613/57 A. 1.

SUB: Co-operative Central Banks—Strengthening of Deposit—holding—instructions issued.

Dated, 15-12-1958.

The XXII conference of Central Banks held on 19-7-52 resolved that the borrowing rates of Central Banks should not exceed the maximum lending rate of the Madras State Co-operative Bank. Since then the money market conditions have changed. The Bank Rate has been raised and the Joint Stock Banks have also put up their rates of interest on deposits. The Co-operative Central Banks should also increase their

rate of interest on deposits and strengthening their deposits-holdings. How far the Co-operative Central Banks can increase their rates of interest on deposits was considered by the 29th Central Bank's conference held in July '57 and it passed the following resolution:—

Resolution No. 6.

"Resolved that Central Banks be permitted to offer interest on

deposits at a rate not exceeding $\frac{1}{2}$ per cent over the maximum lending rate of the State Co-operative Bank to Central Banks."

The Registrar accepts the resolution. The Central banks may increase their rate of interest on deposits consistent with the local conditions subject to the maximum laid down in the resolution referred to above.

2. It is noticed that some of the Central Banks depend too much on the credit limit sanctioned by the Reserve Bank of India, for financing seasonal agricultural operations and marketing

of crops. Though the Central Banks can look to the Reserve Bank of India to a certain extent, they should not solely depend upon the Reserve Bank of India for the additional funds required for financing seasonal agricultural operations and marketing of crops. All the Central Banks are requested to examine the rates of interest allowed by them on deposits at present and consider the question of revising the rates so as to get more deposits. They are also requested to intimate to the Registrar the action taken by them in this regard.

A. PALANIAPPAN,
Registrar.

THE RAMANATHAPURAM DISTRICT CO-OPERATIVE CENTRAL BANK, LTD., No. 5184.

6, West Masi Street, Madurai.

TEL: { Grams: "RAMCENBANK".
 { Phone: 444.

POST BOX No. 96.

Branch at: Karaikudi.

Authorized Capital Rs. 15,00,000
Paid up Share Capital Rs. 9,53,639
Reserves Rs. 7,33,718
Working Capital Exceeds One Crore

Deposits are accepted at the following rates:

Fixed Deposits:	6 months	2½ per cent	3 years	3½ per cent
	1 year	3 per cent	4 years	3½ per cent
	2 years	3½ per cent	5 years	4 per cent

Season Deposits for Rs. 5,000 and above for 4 months onwards 3 per cent

Savings Bank Deposits	1½ per cent
Current Deposits upto Rs. 5,000	½ per cent
Provident Fund Deposits	3½ per cent

Season Deposits are accepted at decent rates in our Karaikudi Branch
All kinds of banking business transacted.

R. Nagulawami Naidu,
President.

CO-OPERATIVE NEWS & NOTES

News and Notes

Tirunelveli District Co-operative Central Bank's Achievement.

The Tirunelveli District Co-operative Central Bank's President, Sri M. D. K. Ramalingam announces with pleasure that the entire demand under loan principal against the societies for the year 1957-58 was realised in full on 4th June 1958, while the interest arrears were realised on 15th May 1958 itself. The Bank, it may be noted, has shown "Nil" Balance under overdues for the 15th year in succession.

Sub-Committee of the All-India Handloom Board Visits Tirunelveli.

The members of the Sub-Committee of the All-India Handloom Board visited Tirunelveli on 19th May 1958. On behalf of the District Handloom Federation, a memorandum was presented to the Sub-Committee. The members of the Sub-Committee addressed a Special Conference of Weavers Societies on that day.

Inauguration of Kamarajnagar Weavers' Colony at Salem.

Sri Lal Bahadur Shastri, Union Minister for Commerce and

Industry inaugurated the I Block of Kamarajnagar Weavers Colony comprising of 72 houses.

Sri K. Kamaraj, Chief Minister of Madras presided over the function. Sri Nithyananda Kanungo, State Minister for Commerce, also participated in the function. Sri A. Mariappan, M.L.A., President, Ammapet Weavers Co-operative Society Ltd., welcomed the gathering and presented addresses of welcome to the Union Minister and Chief Minister.

Sri S. Karuppanna Pillai, Special Dy. Registrar for Housing Scheme, Salem presented a report on the working of the Colony. The Colony will provide houses at a ceiling of Rs. 3,600 for 200 members of the Society. Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras, also addressed the gathering.

Messrs. M. P. Natchimuthu, T. S. Sankaran, I.A.S., P. Sabanayakam, I. A. S., D. S. Joshi I.C.S., K. S. Subramania Gounder, T. D. Thiragarajan, I.A.S., and others were present at the function.

To

All the Member-Societies of
Tamil Nadu Co-operative Union.

SUB:—Annual Contribution—Current and Arrears—Payment—Requested.

All the Member-societies of the Tamil Nadu Co-operative Union are requested to remit their annual contribution due for the current year (1957-58) as well as the arrears if any, on or before 30th June 1958 to the undersigned.

P. NATESAN,
Convenor,

Tamil Nadu Co-operative Union Ltd.
Madras-1.

THE

Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

Journal of the Tamil Nadu Co-operative Union, Esplanade, Madras 1

ASSOCIATE EDITOR:

HON. EDITOR:

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

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

MAY 1958.

No. 11, VOL. XLIX

PRICE As. 12 NET

THOUGHT FOR THE MONTH

Efficiency with Humanity.

Not efficiency must be our watchword, but humanity and efficiency—efficiency for the sake of humanity. It was Ibsen, who said that democracy was not sufficient; there must be an element of aristocracy, an aristocracy of will and character. Efficiency does in the main proceed from the few, from the unwearied minority, which leads on the mass through the power of thought, and will and moral enthusiasm. But humanity abides with democracy, with the mass of average men and women, with the common people, who hear the true word gladly. If we have to choose, humanity is more precious than efficiency; therefore, democracy must rule, and efficiency must mean the intrepidity and expression for the people of their true and permanent will. To lift the burden of poverty, of ignorance, and prejudice, of injustice and greed, that crushes men and women under its misery, to set free wherever we can all fine and gentle and true feelings, to extend with our advance light and knowledge and natural gaiety, to make it known by our deeds that we are sincere lovers of humanity, and in our dealings are inspired by the humanities—this is real progress, this is the spirit and aspiration that must animate us, if our progress is to be real.

—PERCY REDFERN in
Ideas of Progress in Co-operation.

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Editorial Notes

LAND MORTGAGE BANKING—ITS PROSPECTS

At the 27th Conference of Primary Land Mortgage Banks held on 29th April, 1958. Sri N. S. Ramalingam, President of the Madras Co-operative Central Land Mortgage Bank Ltd., has made a number of useful suggestions for improving the land mortgage banking system in our State. In order to implement the policy of expanding the transactions in land improvement loans, he has stated that a scheme for the floatation of 7 years rural debentures has been drawn up. Some of the distinguishing features of the rural debentures are (1) They would carry an interest of $4\frac{1}{2}$ or 5 per cent, (2) The maximum credit under the scheme would be Rs. 5,000, (3) The encumbrance certificate would be restricted to 13 years, instead of 23 years, (4) Full exemption would be given from the payment of encumbrance certificate fees and registration charges. The rural debentures are bound to be very popular and as Sri R. Venkataraman, Minister for Industries, Labour and Co-operation, Madras has pointed out, these debentures would enable the banks to persuade the private investors in the rural areas to subscribe to them in a big way.

Again, of late, there is a welcome tendency to issue more loans for land improvement purposes, rather than for discharge of prior debts. As Sri R. Venkataraman, Minister for Industries, Labour and Co-operation, has pointed out, "We should now, therefore, concentrate in improving the level of earnings in agriculture by improvement of production, so that the agriculturists may not get into debt." To improve the transactions under "land improve-

ment loans", the land mortgage banks must offer some attractions to the borrowers. One of the surest methods is to make available long-term credit at concessional rates at either $3\frac{1}{2}$ or $4\frac{1}{2}$ per cent. The Central Land Mortgage Bank has suggested to the Government that the rate of interest on land improvement loans may be fixed at $3\frac{1}{2}$ per cent and that Government may provide a subsidy for the Central Land Mortgage Bank to cover the difference between the normal lending rate of $6\frac{1}{2}$ per cent and the concessional rate of $3\frac{1}{2}$ per cent. The State Government appreciated the stand taken by the Central Land Mortgage Bank and felt that loans for land improvement purposes should be made available at $4\frac{1}{2}$ per cent. But, it is learnt that the Government of India have declined to grant any financial assistance for the purpose.

But, the Central Land Mortgage Bank have been requesting the Government for more than a decade to bear the cost of departmental staff employed to assist the Central Land Mortgage Bank in its work. Sri N. S. Ramalingam in his address has referred to the mounting expenditure from year to year on account of the cost of the staff and has appealed to the Minister to waive this expenditure, in order to enable the Bank to reduce the ultimate lending rate. We are happy to note that the Minister has promised to look into this request and consider the proposal for the free services of the staff favourably.

Sri N. S. Ramalingam again stressed the need for the revision of the basis of valuation of land

so that Land Mortgage Banks might serve a large section of the population. He said that land values may be increased by 50 per cent of the pre-war values as against 25 at present and the value of produce by 40 per cent over pre-war values as against 20 per cent. The Minister said that he was aware of the problem and the recommendations of the Narayanaswami Pillai Committee, which suggested 40 per cent of the pre-war values of the hypotheca as the basis of valuation. However, he told the Conference that he would depute an Officer to study the question in all its aspects and on the basis of the

report, the Government would take an early decision.

Sri R. Venkataraman appealed to delegates to realise the difficulties of the small ryots and cater to their long-term needs in a larger measure than hitherto.

We are sure that the deliberations of the Conference would go a long way for improving the utility and serviceableness of the land mortgage banks, so that they may play an important role in stepping up agricultural production and thereby ensuring the success of the Second Five Year Plan.

The Madras Journal of Co-operation

SUB:—Renewal of subscription for Vol. 50 (1958-59).

With the next issue (June 1958) of the Madras Journal of Co-operation, the present Volume No. 49, would be completed. The new Volume No. 50 (1958-59) begins from July 1958. Therefore subscribers who are in arrears of subscription are requested to remit their dues to the undersigned on or before 30th June 1958. The subscribers are also requested to renew their subscription for the next Volume No. 50 (1958-59) by remitting the annual subscription of Rs. 8 in advance.

P. NATESAN,
Convenor,

Tamil Nadu Co-operative Union Ltd.,
379, Netaji Road, Madras-1

ESTD : 1927

PHONE : 61068

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AYANAVARAM : : MADRAS-23.

SRI K. NACHINARKINIASIVAM.
President.

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(Service charge of Rs. 2 extra per month for House Delivery)

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Ghee 1 viss	Rs. 8.00	"
Palkova (with sugar) 1 viss	Rs. 6.00	"
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MYLAPORE	...	No. 5, Madala Narayanan Street,
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PURASAWALKAM.	31,	Swami Pillai Street, Choolai.
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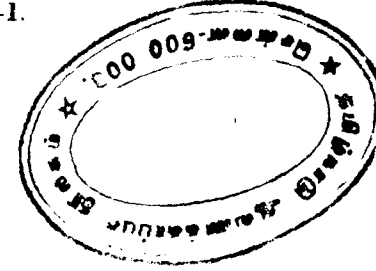
M. ARULANANDAM, B. Com. (Hons.)
Secretary.

Tamil Nadu Co-operative Union Limited,
379, Netaji Road, Madras-1.

CIRCULAR

Consequent on the amalgamation of the Madras State Co-operative Union, Madras and the Tamil Nadu Co-operative Federation Ltd., Coimbatore, a new society has been registered as "Tamil Nadu Co-operative Union Ltd., No. X - 387".

All correspondence Registered Tapals, Money Orders, Cheques, etc., intended either to the Madras State Co-operative Union or Tamil Nadu Co-operative Federation should in future be addressed to the Convenor, Tamil Nadu Co-operative Union Ltd., 379, Netaji Road, Madras-1.



P. NATESAN,
Convenor.

தமிழ் நாடு கூட்டுறவு யூனியன் லிமிடெட்,
379, நேதாஜி ரோடு, சென்னை-1.

சுற்றறிவிப்பு

சென்னை ராஜ்ய கூட்டுறவு யூனியனும், தமிழ் நாடு கூட்டுறவு பெடரேஷனும் (கோயமுத்தூர்) ஒன்றாக இணைக்கப்பட்டு "தமிழ் நாடு கூட்டுறவு யூனியன் லிமிடெட், நெ. X-387", சென்னை, என்ற புதிய சங்கமாக பதிவு செய்யப்பட்டுள்ளது.

ஆதலால் மேற்படி இரண்டு ஸ்தாபனங்களுக்கும் அனுப்பக்கூடிய கடிதங்கள், ரிஜிஸ்தர்கள், மணியார்டர்கள், செக்குகள் முதலியவைகளை இனிமேல் கீழ்க்கண்ட விலாசத்திற்கு அனுப்புமாறு கேட்டுக்கொள்ளப்படுகிறது.

கன்வீனர், தமிழ் நாடு கூட்டுறவு யூனியன், லிமிடெட்,
379, நேதாஜி ரோடு, சென்னை-1.

பி. நடேசன்,
கன்வீனர்.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture, Madras, is publishing a Monthly Journal in Tamil, called **Mezhicheivam**. It contains very useful articles on agriculture and allied subjects written by experts as well as agriculturists in the language and style that can be easily understood by ryots.

The present circulation of the journal is 20,000 copies every month.

Agriculturists are requested to enrol themselves as members and get the benefit of the information this journal imparts. The annual subscription is Rs. 3-0-0 only and this may be paid to the nearest Agricultural Demonstrator.

The Journal commands a wide circulation in areas not covered by many other journals and therefore offers an excellent medium for advertisement. In order to encourage such advertisement and thereby serve the readers of the journal also, the advertisement tariff has been fixed at very low rates as given below.

Advertisement Tariff:

Full page	Rs. 25	} per insertion on the inside pages of the journal.
Half page	Rs. 15	
Quarter page	Rs. 10	

The journal offers an excellent opportunity to businessmen indent on reaching even simple villagers.

A fair commission will be allowed to approved agents for canvassing advertisements.

For further particulars apply to:

The Director of Agriculture

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The Madras Co-operative Societies Act, VI of 1932
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The Madras Land Mortgage Banks Act X of 1934
With Rules and Act X of 1904, and

Important Circulars of the Registrar of Co-operative Societies
 with Case Law and Amendments up to 30-9-57

(TWELFTH EDITION)

EDITED BY

Sri T. NARAYANA PILLAI, B.A., B.L.

Advocate and Joint Secretary,

Tamil Nadu Co-operative Union, Madras.

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DR. N. BASUVIAH,

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PHONE: 3420

SRI B. HALA GOWDER,

Vice-President.

Authorised Capital	Rs. 10,00,000
Paid up Share Capital	Rs. 7,15,200
Statutory & Other Reserves	Rs. 3,27,438
Working Capital	Rs. 71,00,000
Loans and Overdraft business exceed rupees one crore.	

Deposits are accepted at the following rates:—

Fixed Deposits:

6 months	2½%	Current Deposits	½%
1 year	3%	Savings Deposits	2%
2 years	3½%	Recurring Deposits	2%
Over 2 years and upto 3 years	3¾%	Provident Deposits	3%
" 3	4%		
" 4 years	4%		

All Kinds of Banking Business Transacted

Ootacamund,
12-12-1957.

SRI G. MADALAIMUTHU UDAYAR, B.A.,
Deputy Registrar-Secretary.

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

13/14, Mukkur Nallamuthu Chetty Street, Madras-1.

TELEPHONE No. 2384.

ESTD. 1930

President:

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

Authorised Capital	Rs. 15 lakhs
Working Capital	Rs. 60 lakhs

Loans are issued to all Primary Societies and Co-operative Urban Banks
 All kinds of deposits accepted.

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Savings Deposits	2%

With effect from 1.2.1958 the Bank will receive Fixed Deposits
 at the following rates of interest.

Fixed Deposits for	
Six Months	4%
One Year	4½%
Two Years & above	5%

Further particulars can be had from the undersigned:

N. M. SIVAPERUMAL,
Secretary.

TELEGRAMS: "CENMORBANK"

TELEPHONE: 71061

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

POST BOX No. 609, LUZ, MYLAPORE, MADRAS-4.

President:

SRI N. S. RAMALINGAM, B.A., DIP., POL. & PUB. ADMN., M.L.A.

Authorised Capital	...	Rs. 30,00,000.
Paid up Capital	...	Rs. 18,17,000.
Reserves	...	Rs. 23,69,303.

The Bank is the Apex Co-operative Bank for long term agricultural credit and issues debentures for 15 and 20 years on the security of first mortgages transferred to it by Primary Land Mortgage Banks and its assets.

The principal of and the interest on debentures are guaranteed by the Government of Madras. They are TRUST SECURITIES and are also approved Securities under the Insurance Act, 1938. REDEMPTION FUNDS (SINKING FUNDS) are constituted to pay off the debentures on maturity.

*Summary of Balance Sheet as on 30—6—'57.

Liabilities.		Assets	
	Rs.		Rs.
Paid up-Share Capital	18,17,000	Cash on hand and balance with Banks	94,744
Reserve and other Funds	...	Loans to Primary Banks	...
Debitures	23,69,303	Sinking Fund Investments	4,05,43,691
Deposits, Loans and Overdrafts	5,13,64,600	Other Investments	1,66,39,437
Sundry Liabilities	44,94,789	Sundry Assets	29,47,727
Net Profit	9,41,652		9,27,410
	1,65,665		
Total	6,11,53,009	Total	6,11,53,009

*The figures are subject to revision after audit.

O. V. CHINNASWAMY, B.A., B.L.
Secretary.