

July 1958

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formation of an agricultural bank, Sri Alagappan urged that the sponsors of the proposal should send up immediately a comprehensive resolution of the societies intending to amalgamate into an agricultural bank.

Sri S. Natarajan, Co-operative Development Officer, Madras speaking on the occasion explained the main features of the education scheme and summarised the various topics dealt at the instructional classes.

Orientation Course For Ordinary Members.

The orientation course for ordinary members of Co-operatives was held at Therkutheru village for three days from July 23, 1958 under the guidance of the Co-operative Development Officer. The Instructor conducted the classes in the premises of the local elementary school. 35 members participated in the course and received stipends.

Sri Ambalam, a director of the Madhurai District Central Co-operative Bank and the President of the Melur Supervising Union provided necessary facilities for the smooth conduct of the classes.

II. Chingleput District:—

A Panchayatdars course was conducted for six days at the Co-operative Agricultural Bank, Pakkam, in Tiruvellore Block, by Mr. M. Sivaprakasam, Co-operative Educational Instructor, Chingleput District.

Mr. T. Thiruvengadachari, President of the Bank, inaugurated the course, attended by 20 panchayatdars. Mr. V. T. Chandrasekaran, Deputy Registrar of Co-operative Societies, and Mr. S. Natarajan, Co-operative Development Officer, spoke. Mr. P. M. Veeraraghava Pillai, Block Development Officer, Tiruvellore delivered the valedictory address.

Progress of the Scheme upto 31-7-58.

District.	Panchayatdars Courses.			Member-education.	
	No. of Societies covered.	No. of Centres.	No. Trained.	No. of Centres.	No. Trained.
1. Madurai ...	31	6	107	7	230
2. Chingleput ...	35	5	106	9	295

In his presidential speech, Sri R. Venkataraman, narrated the aims of the Government in sanctioning financial assistance under the Cess Fund Schemes for the formation of such weavers' housing colonies and expressed that the Government sincerely hoped that the weavers will avail themselves of the opportunity and make the best use of the concessions granted by the Government.

Delaring open the colony, Sri K. Kamaraj, Chief Minister, Government of Madras, wished the colonists all success in life. He pointed out that colonists should be content with the concession already granted to them in the construction of the houses, viz., that 1/3 of the cost of construction of a house at a ceiling of Rs. 3,600 has been given to each colonist as subsidy and that they should not expect any further concession as the finances of the Government are very limited.

Kodumudi Co-operators Conference.

A conference of the representatives of rural credit societies in Kodumudi National Extension Service Block was convened on 27-7-1958 at Kodumudi, to review the progress of work done in 1957-58 and for fixing the targets for 1958-59.

Sri S. K. Chennippa Gounder, President of the Coimbatore Dist. Co-operative Central Bank Ltd., presided over the conference and exhorted the office-bearers to take sufficient care in issuing loans. Messrs. G. Santhanam, K. Balakrishnan, G. V. Thangaswami, R. Seshadri and others explained the Integrated Credit Scheme. There are 49 societies in the block and it is proposed to issue Rs. 6.50 lakhs as loan during 1958-59.

Distinguished Visitors to Madras Co-operative Milk Supply Union.

Sri M. Haque Choudry, Minister of Food and Agriculture, Assam, accompanied by Sri S. Mijid, Additional Director of Agriculture, Assam visited the Madras Co-operative Milk Supply Union on 25-7-1958. They were received at the Union by Sri K. Nachehinarkinia Sivam, President, Sri M. Arulanandam, Secretary and Sri C. Ponnuruvelu Mudaliar, Executive Officer. They were taken round the various departments of the Union and the visitors evinced a keen interest in the working of the Union.

Co-operative Training of Non-officials in Madras.

I. Madurai District:—

A Co-operative Camp of one week duration was conducted for 20 Managing Committee members of Village Credit Societies at Thiruvadavur village in Melur block. The Instructional classes were held by Mr. M. Mohammed Abbas, Co-operative Educational Instructor, Madhurai.

Sri V. Alagappan, Secretary, Madhurai District Central Co-operative Bank Ltd., presided over the valedictory function on July 22, 1958 and distributed stipends sanctioned for the trainees. In his presidential address Sri V. Alagappan pointed out that the Government have given a high place for the Co-operative movement and assured that the Central Bank was always willing to give credit facilities to the agriculturists. He exhorted the trainees to spread the message of Co-operation among the members of their societies and to take keen interest and responsibility in this movement. On the representation of the office-bearers of the societies in the area for the

Silver Jubilee of Cheyyar Co-op. Land Mortgage Bank, Ltd.

The Silver Jubilee Celebrations of the Cheyyar Co-operative Land Mortgage Bank was celebrated on 28-6-58, Sri N. S. Ramalingam presiding. Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies delivered the Jubilee address. Earliar, Sri P. Ramachandran, M.L.A. unfurled the Co-operative Flag and unveiled the portrait of Sri A. Palaniappa Mudaliar. Sri T. S. Harinarayanan, President of the Bank welcomed the audience. Sri M. Kumaraswamy Mudaliar, Secretary read the report of the Bank.

Foundation Stone for Ginning and Decorticating Plant Buildings of Dindigul Co-operative Marketing Society, Laid.

The foundation stone for the building to instal cotton ginning and groundnut-decorticating plants for the Dindigul Co-operative Marketing Society, Ltd., Dindigul was laid by Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras on 23rd April '58. Sri P.T. Rajan, M.L.C., presided over the function. Sri O. Chinna swamy Pillai, Managing Director, Murugan Transports Ltd., hoisted the Co-operative Flag. Sri I.T. Obala Kondama Naicker, President of the society welcomed the guests, Sri V. Alagappan, Secretary, Madhurai District Central Co-operative Bank Ltd., addressed the gathering, Sri R. Rengaswamy Reddiar, proposed a vote of thanks.

Godown of the Mudithenendal Co-operative Society.

Sri A. P. C. Veerabahu, M.L.A., opened the godown of the Mudithenendal Co-operative Society and explained the value of such godowns.

Tirupur Kumaran Nagar Weavers Colony Opened at Saidapet.

One of the fourteen colonies under the Weavers' Housing Scheme in the Madras State is the *Tirupur Kumaran Nagar Weavers' Colony* undertaken by the Saidapet Weavers' Co-operative Sale Society Ltd., Saidapet, Madras.

The scheme as recommended by the Registrar of Co-operative Societies, Madras, was approved by the Government of India in January, 1957, and sanctioned by the Government of Madras in February, 1957, at a cost of Rs. 3,19,500 for the construction of 60 Houses. The foundation stone of the colony was laid by Sri T. T. Krishnamachari the then Finance Minister of the Government of India, under the presidentship of Sri M. Bakthavatsalam, Minister in charge of Agriculture of the Government of Madras on 27-2-1957.

An extent of acres 4.58 cents of dry land between Saidapet and Old Mambalam on the Reddikuppam Road, West of the railway line was acquired through the Revenue Department at a cost of Rs. 72,811/37. The construction of the houses was begun on 23-5-57 and 32 houses were completed and made ready for occupation by the weavers from 1-2-58. The remaining 28 houses are nearing completion. The construction work was entrusted to petty contractors on executing agreements to complete the work at the estimate rates. Cement, iron and steel were supplied by the society.

The Tirupur Kumaran Nagar Weavers' Colony was opened by Sri K. Kamaraj, Chief Minister, under the presidentship of Sri R. Venkataraman, Minister of Industries, Labour and Co-operation at 6 p.m. on 15-7-1958.

CO OPERATIVE NEWS & NOTES

News and Notes

Silver Jubilee of the Tiruchengode Co-operative Land Mortgage Bank, Ltd.

The Silver Jubilee Celebrations of the Tiruchengode Co-operative Land Mortgage Bank were inaugurated on July, 7, 1958 in the Tiruchengode Co-operative Marketing Society's building by Mr. C. Subramaniam, Finance Minister. Mr. K. S. Subramania Gounder, M.L.A., and President of the Salem District Co-operative Central Bank, presided over the function.

Mr. P. M. Manickam Chettiar, President of the Bank, welcoming the Minister and others, appealed to the Government to reduce the interest on long-term loans from 6½ per cent. to 5 per cent. Mr. T.R. Kalyana Subramaniam, the Senior Supervisor of the Bank, read the report of the Bank.

Mr. Subramania Gounder, in his presidential address, assured the agriculturists that as the survey of lands in the taluk had been completed the delay in the sanctioning of loans would be removed. He appealed to the Government to sanction the construction of godowns all over the State so that the agriculturists could stock their produce and sell them when there was demand. He requested the Government to give 50 per cent of the cost of the godowns as free grant.

Mr. A. Palaniappa Mudaliar, Registrar of Co-operative Societies, speaking on the occasion, dwelt on the importance of rural credit societies and land mortgage banks. He assured the public that the Government were always willing to give more credit facilities and provide more funds for the improvement of the lot of the

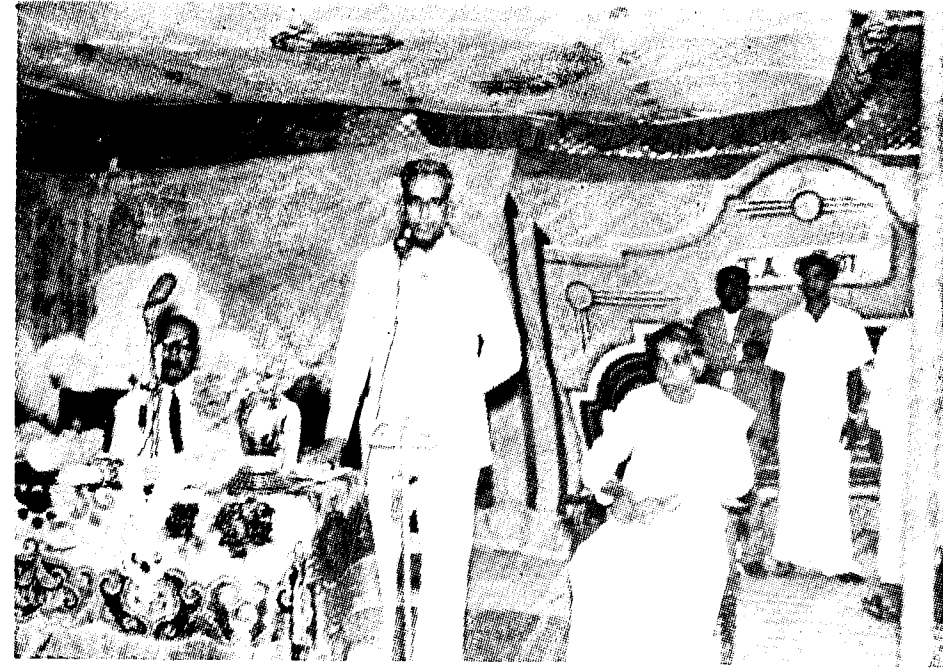
agriculturists. Mr. C. Subramaniam inaugurating the celebrations, pointed out that the Government had given a high place for the co-operative movement. The progress of the country entirely depended on agriculture and the improvement of the living standards of the agriculturists. The Government had realised this and it had been giving all facilities for the agriculturists by providing them improved seeds, pump-sets, short-term and long-term loans.

Dealing with the co-operative movement, the Minister said that honesty was the main thing for the success of the co-operative movement. Unless and until the public took keen interest and responsibility in this movement it could not succeed, even though the Government may spend crores of rupees. Further, members must also repay their loan amounts regularly without which no society could function efficiently. The Minister pointed out that in the Erode and Srivilliputhur firkas all kinds of loans were being given by such societies and that during the coming year six more firkas would be selected and the scheme would be extended. This would help the agriculturists. Unless and until the burden of the agriculturists was reduced to the minimum, we could not hope to get improved yield.

The Minister then unveiled a portrait of the late Mr. K.A. Nachiyappa Gounder, and paid a glowing tribute to him for the service he had done for the co-operative movement.

Mr. K. S. Subramania Gounder unveiled a portrait of Mr. P. M. Manickam Chettiar, President of the Bank.

Dindigul Co-operative Marketing Society, Ltd.,



Sri A. Palaniappa Mudaliar, Registrar is seen addressing the gathering, after laying the foundation stone for the buildings of the ginning and decorticating plants of the Dindigul Co-operative Marketing Society Ltd., on 23-4-1958. Sri P. T. Rajan, M.L.C., presided.



Sri A. Palaniappa Mudaliar, Registrar laid the foundation stone.

Silver Jubilee of the Tiruchengode Co-operative Land Mortgage Bank.



Sri A. Palaniappa Mudaliar, M.A., I.A.S., Registrar of Co-operative Societies, Madras is seen addressing the gathering.

employer or the officer disbursing his salary or wages shall be competent to deduct every month from the salary or wages payable to him, such amount or instalments of amount as may be specified in such agreement and to pay the amount so deducted to the society in satisfaction of any debt or other demand owing by the member to the society.

(2) (a) On the execution of such agreement, the employer or the officer disbursing the salary or wages of the member, shall, if so required by the society by a requisition in writing and so long as such debt or demand or any part of it remains unpaid, make the deduction in accordance with

the agreement and pay the amount so deducted to the society.

(b) The employer or the officer disbursing the salary or wages shall maintain such registers as may be prescribed by the State Government or the Registrar from time to time.

(3) The provisions of this section shall apply to all such agreements of the nature referred to in subsection (1) as are in force on the date of the commencement of the Madras Co-operative Societies (Amendment) Act, 1958.

(4) The provisions of this section shall apply notwithstanding any law to the contrary for the time being in force.

(By Order of the Governor)

A. ALAGIRISWAMI,
Secretary to Government, Law Department.

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 "

TELEPHONE :

Head Office, OOTACAMUND: 3412

Branch at METTUPALAYAM: 37

SRI C. RAGHAVAN NAIR,
Business Manager, Nilgiris
Co-operative Marketing
Society Ltd, Ootacamund.

RULE III-A—APPEAL AGAINST REFUSAL OF MEMBERSHIP

Amendment to rules under Co-operative Societies Act.

(G.O. Ms. No. 2732, Industries Labour and Co-operation, 11-7-1958.)
S.R.O. No. A-4883 of 1958.

In exercise of the powers conferred by sub-sections 8 (1) and (2) of section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), the Governor of Madras hereby makes the following amendment to the rules published with the late Development Department Notification No. 264 at pages 1178 to 1185 of Part I of the Fort St. George Gazette, dated the 1st August 1933, as subsequently amended, the same having been previously published as required by sub-section (3) of the said section :—

AMENDMENT

In the said rules, for rule III-A, the following rule shall be substituted namely :—

“III-A. Appeal against refusal of admission :—

Every application for membership in a registered society shall be considered by the Committee of the Society which shall have power either to grant or refuse admission. A person who is refused admission shall, within two months from the date of receipt of the order of refusal by registered post, have a right of appeal to the Registrar of Co-operative Societies or to the Deputy Registrar of Co-operative Societies if he is so empowered by the Registrar in this behalf. The decision of the Registrar or the Deputy Registrar, as the case may be, shall be final.”

(Sd.) T. SRINIVASAN,

Deputy Secretary to Government.

SEC. 28—DEDUCTION FROM THE SALARY OR WAGES

(Insertion of New Section 28 in Madras Co-op. Societies Act VI of 1932.)

The following Act of the Madras Legislature received the assent of the President on the 19th July 1958 and is hereby published for general information :—

Act No. XVII of 1958.

An Act further to amend the Madras Co-operative Societies Act, 1932.

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

BE is enacted in the Ninth Year of the Republic of India as follows :—

1. **SHORT TITLE**—This Act may be called the Madras Co-operative Societies (Amendment) Act, 1958.

2. INSERTION OF NEW SECTION 28 IN MADRAS ACT VI OF 1932.

After section 27 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), the following section shall be inserted, namely :—

“28. **DEDUCTION FROM THE SALARY OR WAGES**—(1) A member of a registered society may execute an agreement in favour of that society providing that his

AMALGAMATED SOCIETIES—PROFITS—AUDIT—REGARDING

Circular of the Registrar of Co-operative Societies, Madras

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

Registrar.

Re. No. 142062/57-A 2

Dated, 20-5-1958.

SUB: Agricultural Banks—profits earned by amalgamated societies upto the date of amalgamation—audit certificate—Issue of accounts—instructions issued,

REF: Registrar's Circular D. 216976/57-A2 dated 10-4-57.

The attention of the Deputy Registrars is invited to the circular cited. According to the instructions issued in that circular the accounts of the societies amalgamated in an Agricultural Bank should be audited and the outstandings on the date of amalgamation as arrived at in audit should be incorporated in the books of the agricultural banks concerned. The profit earned by the amalgamated societies is a liability of the agricultural bank. The members of the societies are entitled to dividend on the profits earned by the societies upto the amalgamation. The profits earned by the amalgamated societies upto the date of amalgamation should not be included in the profit earned by the agricultural bank. As soon as the accounts of the amalgamated societies upto the date of amalgamation are audited, an audit certificate as on the date of amalgamation should be issued for each amalgamated society and the profit declared in the certificate should be distributed according to the by-laws of the society as they stood on the date of amalgamation. The general body of

the agricultural bank is competent to distribute the profit of the amalgamated societies in accordance with the by-laws of those societies under the transitory by-law suggested in the circular cited.

3. In the case of an Agricultural Bank formed on 7-4-56 the audit certificate for the year ended 30-6-56 has been issued declaring a profit which included, the profit earned by one of the societies amalgamated into the bank for the period from 1-7-55 to 7-4-56. This is irregular. In such cases revised audit certificates should be issued declaring the profits earned by the Agricultural Banks for the period from the date of their starting upto the end of the co-operative year and separate audit certificates should be issued for each amalgamated society for the period from the 1st July preceding the amalgamation upto the date of amalgamation. The Deputy Registrars are requested to adopt the above procedure and rectify similar defects if any in issuing the audit certificate of agricultural banks in their circles for the years ended 30-6-56 and 30-6-57.

A. PALANIAPPAN,
Registrar.

WHEREAS the above bounden who at present holds the office of has applied to the Government for permission to purchase Khadi for Rs. AND WHEREAS the Centre Khadi Officer has agreed to sanction such concession upon the said and the above bounden () as his surety entering into a bond in the above mentioned sum of Rupees with such condition as his hereunder written for the due and punctual repayment by the said of the several instalment of the value of Khadi as and when they fall due and for the observance and performance by the said of the several conditions mentioned in G.O. Ms. No. 323, Rural Welfare, dated the 4th March 1953 and amendments thereto. Now the above written bond is conditioned to be void in either of the cases following:

(a) If the said his heirs, executors, administrators or legal representatives shall from time to time and at all times hereafter well and truly pay or cause to be paid to the Government all such sums of money as shall from time to time become due and owing to the Government from the said in respect of the concessions above mentioned as and when such sum or sums of money shall respectively become due and payable.

(b) If the said shall at any time or times hereafter make default in payment of any such sum or sums of money as aforesaid and the said or his heirs, executors, administrators or legal representatives shall within the space of one calendar month after receiving notice in writing of such default and of the amount thereof from the Government well and truly pay or cause to be paid to the Government the sum of money stated in the said notice to be and being the amount of the said default.

Signed, and delivered
by the said
in the presence of }

Signed, and delivered
by the said surety
in the presence of }

(True Copy).

the intending purchaser was prescribed. In the reference fourth cited the concession granted in the Government Order first cited was extended for one year from 15-9-1957. In the G.O. fifth cited the above concession was extended to the employees of the Madras State Electricity Board also.

2. In view of the numerous references received requesting a second supply of Khadi to Government servants and employees of District Boards, Municipalities and Electricity Board on instalment basis when instalments on a previous supply are pending recovery and enquiring whether the above concession is admissible to Government servants employed under emergency provisions, the Government have carefully considered the matter again and direct:

(i) that a second supply of Khadi to Government servants and employees of District Boards, Municipalities and Electricity Board be made in instalment basis when some of the instalments relating to a previous supply are pending recovery subject to the condition that the total amount due from the individual in both

the cases at any one time does not exceed one month's pay of the purchaser provided the other conditions mentioned in the G.Os. first and second cited are fulfilled; and

(ii) that the concession of supplying Khadi on instalment basis be extended to the Government servants employed under the emergency provisions also subject to the following conditions:—

(i) that the temporary candidates have put in at least one year of service on the date of the supply,

(ii) that the Pay Disbursing Officer is satisfied that they are not likely to be ousted within a period of six months beyond the month in which the supply is made; and

(iii) that a personal security bond in the form given in the Annexure should be executed by the applicant and a member of the service who has put in more than three years service whether temporary or permanent in addition to the usual agreement prescribed in the G.O. second cited.

(True Copy)

ANNEXURE

Form of Personal Security Bond to be executed by an officiating or Temporary Government Servant purchasing Khadi on Instalment Basis.

KNOW ALL MEN BY THESE PRESENTS that we of and are held and firmly bound unto the Governor of Madras in the sum of Rupees to be paid to the Government of Madras (hereinafter called the Government) their successors or assigns of their certain attorney or attorneys for which payment to be well and truly to be made we bind ourselves jointly and severally and each of us our and each of our heirs, executors, administrators and legal representatives firmly by these presents.

Cost of one peon for one month Rs. 84			
Cost of 3 peons for one year	...	Rs.	A. P.
(5) Grant to the District Unions or Central Banks for conducting Seminars, Summer Camps, etc.	...	3,024	0 0
(6) Grant to Tamil Nadu Co-operative Union to meet contingent expenditure	...	4,000	0 0
	...	1,000	0 0
		19,304	0 0

ANNEXURE II

Details of Expenditure.

(1) Cost of staff of 1 Co-operative Sub-Registrar and 2 Senior Inspectors of Co-operative Societies for 12 months	...	Rs.	
(2) Cost of preparing pamphlets for the classes	...	12,132	
(3) Payment of stipends at Re. 1 per head per diem to the members, panchayatdars and office bearers of Co-operative Societies attending the classes	...	2,000	
(4) Grants to District Unions or Central Banks concerned for conducting Seminars and Summer Camps, etc.	...	11,280	
(5) Contingent expenditure	...	4,000	
	...	1,000	
		30,412	

True Copy

SALE OF KHADI TO GOVERNMENT SERVANTS

Copy of G.O. Ms. No. 1545, Public (Rural Development Projects-X) dated 21-5-1958

Khadi—Intensive Khadi Scheme—Sale to temporary Government Servants and employees of District Boards, Municipalities and Electricity Board—Recovery of cost in instalment—Further instructions—Issued.

READ :

1. G.O. Ms. No. 323, Rural Welfare, dated 4-3-1953.
2. G.O. Ms. No. 1806, Agriculture, dated 1-6-1954.
3. G.O. Ms. No. 3079, Public (RDP), dated 15-9-1955.
4. G.O. Ms. No. 2662, Public (RDP), dated 12-9-1957.
5. G.O. Ms. No. 2954, Public (RDP), dated 21-10-1957.
6. Letter from the Director of Khadi, D. Dis., 24928-C. 2/57, dated 13th March 1958.

ORDER :

In the Government Order first and third cited Government servants and employees of District Boards and Municipal Councils were permitted to purchase Khadi on credit basis and the price of Khadi so purchased was ordered to be recovered on instalment basis from their monthly pay in six equal instalments. In the reference second cited, the form of agreement to be executed by

(2) Cost of two Senior Inspectors under Fundamental Rule 127 with deputation allowance of 25 per cent.			
	Rs.	A.	P.
Pay	...	109	5 4
Deputation Allowance	...	27	5 4
Dearness Allowance	...	44	0 0
House Rent Allowance	...	14	0 0
Leave Salary	...	21	5 0
Pension Contribution	...	11	6 5
Travelling Allowance	...	60	0 0
		287	6 1

Cost of one Senior Inspector for one month	...	287	0 0
Cost of two Senior Inspectors for 12 months	...	6,888	0 0
Rs. 287 × 12 × 2	...		
(3) Grant to Madras State Co-operative Union for preparing pamphlets for the classes	...	2,000	0 0
(4) Cost of van staff	...	3,600	0 0
(i) One van driver on Rs. 100 per mensem for 12 months—	...	1,200	0 0
100 × 12	...		
(ii) Cost of one van operator at Rs. 120 per mensem for 12 months	...	1,440	0 0
120 × 12	...		
(iii) Cost of one van attendar on Rs. 80 per mensem for one year	...	960	0 0
80 × 12	...		
		3,600	0 0

(5) Running expenses for van	...	2,500	0 0
(6) Cost of 6 education films	...	48,000	0 0
(7) Provision for travelling allowance to van staff	...	1,200	0 0
		69,432	0 0

(b) Expenditure to be met by the State Government.

(1) Stipend at Re. 1 per day for three days 1000 members in each district	...	6,000	0 0
1000 × 3 × 2	...		
(2) Stipend at Re. 1 per day for one week (i.e., 6 working days) to 200 panchayatdars in each unit	...	2,400	0 0
200 × 6 × 2	...		
(3) Stipend at Re. 1 per day for 6 weeks i.e., 36 working days to 40 office-bearers in each district	...	2,880	0 0
40 × 36 × 2	...		
(4) Cost of three Peons :			

	Rs.	A.	P.
Pay	...	22	8 2
Dearness Allowance	...	31	0 0
House Rent Allowance	...	5	0 0
Travelling Allowance	...	25	0 0
		83	8 2 or
		84	0 0

Sub Registrar and 2 Senior Inspectors of Co-operative Societies sanctioned in G. O. Ms. No. 665, Industries, Labour and Co-operation, dated 19-2-1957 and last continued in G. O. No. 726, Industries, Labour and Co-operation, dated 26-2-1958 to work under the Madras State Co-operative Union Limited in connection with the implementation of the scheme.

The staff will be eligible to draw all the allowances admissible under the rules including the Madras House Allowance admissible to the Co-operative Sub-Registrar. The Co-operative Sub-Registrar and the two Senior Inspectors will also draw a deputation allowance of 25 per cent of their grade pay. The entire cost of the staff will be recovered from the Madras State Co-operative

Union Limited under Fundamental Rule 127. The action of the Registrar of Co-operative Societies in having continued the staff beyond 31-3-1958 in anticipation of Government sanction is approved.

4. Sanction is also accorded to the employment of 3 peons on Rs. 18-25 p.m. each for a further period of one year from 1-4-1958 to work under the Co-operative Sub Registrar and 2 Senior Inspectors.

5. The expenditure on the scheme should be debited to "42. Co-operation—C. Grant in aid—Non-recurring". The Government of India's grant on realisation should be credited to "XXXI Co-operative b. other Miscellaneous receipts—Grants from the Government of India—Training Scheme for non-official personnel".

(True Copy)

ANNEXURE I

The cost of the scheme for 1958-59.

(a) Expenditure to be met by the Government of India.

- (1) Cost of one Co-operative Development Officer under Fundamental Rule 127 with deputation allowance of 25 per cent.

	Rs.	A.	P.
Average pay of Co-operative Sub-Registrar ...	180	8	11
Deputation allowance ...	45	2	3
Dearness Allowance ...	58	0	0
Madras House Allowance ...	25	0	0
Leave Salary ...	33	15	3
Pension Contribution ...	19	0	0
Travelling Allowance ...	75	0	0
...	436	10	5
Cost of Co-operative Sub Registrar for one month ...	436	10	5
Cost for 12 months 437×12 ...	5,244	0	0

G.O.'s AND CIRCULARS

G.O.'s and Circulars

TRAINING OF NON-OFFICIAL PERSONNEL

Copy of G. O. Ms. No. 2459, Industries, Labour and Co-operation, dated 24-6-1958

Co-operation—Training and Education—Scheme for training of non-official personnel of Co-operative Movement—Implementation in 1958-59—Proposals of Registrar of Co-operative Societies—orders passed.

READ:

1. From the Registrar of Co-operative Societies, Letters Rc. 36087/58 N dated 31-3-1958.
2. Letter No. 42,009 CIII/58-6, Industries, Labour and Co-operation, dated 22-5-1958.

ORDER:

In G. O. Ms. No. 4224, Industries, Labour and Co-operation, dated 28-12-1957, the Government sanctioned the scheme drawn up by the Registrar of Co-operative Societies in consultation with the All India Co-operative Union, New Delhi and the State Co-operative Union, Madras, for the training of non-official personnel of the Co-operative movement in this State. The Scheme was implemented through the Madras State Co-operative Union Limited, Madras, in 1957-58 in two centres, namely, Tirukalikundram in Chingleput District and Madurai Block in Madurai District. In March 1958, the Registrar submitted proposals for taking up 2 fresh units at 2 centres in Thiruvallur Block in Chingleput District and Melur Block in Madurai District to train about 2,480 candidates consisting of members and potential members, panchayatdars and office bearers at a total estimated cost of Rs. 88,736 to be shared by the Government of India and the State Government at Rs. 69,432 and Rs. 19,304 respectively as indicated in the Annexure I to this order. The scheme has been forwarded to the Government of India for approval and for sanction of their share of expenditure.

As the scheme is included in the Second Five Year Plan and is a continuing scheme no specific sanction of the Government of India for this scheme is required with reference to the revised procedure for sanction of Plan schemes laid down by the Central Government. The Government therefore approve the scheme drawn up by the Registrar of Co-operative Societies for implementation in 1958-59.

2. Sanction is accorded to the payment to the Madras State Co-operative Union Limited, Madras, of a sum of Rs. 30,412 (Rupees thirty thousand four hundred and twelve only) as detailed in Annexure II to this order for meeting the expenditure connected with the implementation of the scheme. The Registrar of Co-operative Societies is authorised to draw and disburse the amounts to the Madras State Co-operative Union. He is also requested to ensure that the funds are utilised for the purpose for which they have been sanctioned.

3. Sanction is also accorded to the continuance for a further period of one year from 1-4-1958 of the posts of one Co-operative

their produce. As many as 245 godowns are proposed to be constructed during the Plan period. The marketing societies are also being encouraged to put up processing plants like cotton gins and groundnut decorticators for the processing of their members' produce. Facilities are thus provided by the co-operatives under the Plan for the grant of finance for production and for the marketing of the produce on more advantageous terms, where possible after processing.

While schemes for organising and increasing production have been included in the Second Five Year Plan, co-operative distribution has not been taken up under the plan. This does not in any way reduce the importance of co-operative distribution. If co-operative development schemes concentrate on production in agriculture and industry, it is because, the immediate need of the hour is increased production. The equitable distribution of the articles produced is of equal importance in any scheme of economic improvement of the people and in the attainment of the ultimate goal of a socialistic pattern of society and I have no doubt that suitable plans for the expansion and development of the consumers co-operatives will be included in the Third Five Year Plan. The district supply and marketing societies functioning in the districts assisted by the State Co-operative Marketing Society, which is being organised, will have a more vital role to play in the years to come not only in the field of marketing of agricultural production but also in the distribution

of consumer articles to their members. It is upto us to make the full use of these institutions so that the benefits of co-operative production and distribution may become available in an increased measure.

Sri Rajagopal Naidu has in his welcome speech briefly indicated the progress made by the North Arcot District Co-operative Supply and Marketing Society and its activities. This is one of the stores which has done excellently well and the fact that it has built up reserves to the extent of Rs. 17 lakhs shows how efficiently it has been managed. Sri Rajagopal Naidu and the other directors of the society deserve all praise for their hard and selfless work in having built up this strong and stable institution. The huge building which the society has constructed from the building fund accumulated by the society will stand as a monument of the good work done by this society. A significant contribution made by the society to the cause of the producers is its participation in the share capital of the North Arcot District Co-operative Sugar Mills organised for the benefit of the Sugar cane growers in the district, who will get not only a fair price for their cane but also a share in the profits of the sugar industry.

I sincerely trust that this premier district supply and marketing organisation will, in the years to come, grow from strength to strength and extend its sphere of usefulness to a wider section of the people in the district. I wish the institution a bright future.

paddy to the affiliated primaries, distribution of chemical fertilizers entrusted to them by Government, import of consumer goods and the export of agricultural commodities like chillies, onions, etc., to outside countries. These institutions are expected to undertake interstate trade in agricultural produce and thus promote generally agricultural marketing. They are accordingly being reorganised into district co-operative supply and marketing societies in the scheme of development of co-operative marketing. In their new set up, they will, besides distributing consumer goods among their clientele, undertake procurement and distribution of agricultural requisites like manure and implements and arrange for the export of the surplus agricultural produce of the district. In fact, to enable them to function effectively in this new line of activity and to co-ordinate their work in this behalf, proposals are on hand for the formation of a State Co-operative Marketing Society at Madras. The formation of this apex society has been included in the Second Five Year Plan and the society is expected to be brought into existence during the current year.

3. The co-operative movement which has already taken deep root in the State is passing through a period of accelerated expansion mainly owing to the policy enunciated by the Planning Commission for the building up of a co-operative sector as part of the scheme of planned development of the country. The Planning Commission has observed that the fields which mark themselves out as being specially appropriate for the co-operative method of organisation are agricultural credit, marketing and processing, all aspects of production in rural areas, consumers co-operative

societies, co-operatives of artisans and construction co-operatives. A number of co-operative development schemes calculated to step up agricultural and industrial production have been undertaken under the Second Five Year Plan and these schemes are being implemented with a good deal of success. The major scheme pertains to the expansion of co-operative agricultural credit and development of co-operative marketing and it aims at covering not less than 80 per cent of the villages within the co-operative fold and making the benefit of co-operative credit and services available to about 50 per cent of the rural population by the end of the Plan period. During the two years the Plan is under implementation, the percentage of villages covered had increased from 49 to 78 and the percentage of population served from 21 to 32. The quantum of credit provided went up from Rs. 6 crores during the year 1955-56 (i.e.) the year prior to the commencement of the Plan, to Rs. 11.24 crores during the year 1957-58, the second year of the Plan. It is the objective that the quantum of credit should be increased to Rs. 18 crores during the last year of the Plan period.

While the expansion of credit is being brought about by the organisation of a new type of primary units known as co-operative agricultural banks and by the revitalisation of the small credit societies in the villages, effective measures are also being taken for the integration of credit with marketing by linking the credit societies with the marketing societies in the area. Loans and subsidies are being given to the credit and marketing societies for the construction of godowns so that they may afford facilities to the producers for the storage of

Opening of Rajagopal Buildings, Vellore*

REGISTRAR'S ADDRESS

BY

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

Revered Vice-President of India, Hon'ble Minister for Revenue,
Mr. Rajagopal Naidu and brother Co-operators,

I am highly thankful to Sri Rajagopal Naidu, President of the North Arcot District Co-operative Supply and Marketing Society and other directors of the society for having given me this opportunity to participate in this memorable function. I value this opportunity because we have in our midst our revered Vice-President of India. His association with today's function is an indication of the great interest which he takes in the furtherance of the cause of the co-operative movement which, since the attainment of Independence, is being harnessed more and more for the socio-economic development of the country. Not only the directors and members of the North Arcot District Supply and Marketing Society but all the co-operators—official and non-official—in the State feel greatly honoured by the presence of our esteemed Vice-President in our midst here to-day.

2. The North Arcot District Supply and Marketing Society, which has put up this impressive building, which has just been opened by our Vice-President, is one of the 12 central co-operative wholesale stores in the Madras State. These central co-operative wholesale stores came into existence during the second World War, when conditions of the organisation of the consumers' co-operatives were favourable. Many essential articles were in short

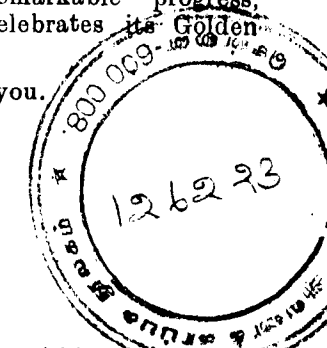
supply and the question of making an equitable distribution of the available commodities especially, foodgrains assumed very great importance. Both the people and the Government found in the co-operative stores an efficient and reliable agency for the equitable distribution of controlled commodities; and Government readily entrusted the consumers co-operative stores with the work connected with procurement and distribution of foodgrains, etc., which were in short supply. District organisations called the central co-operative wholesale stores were formed in each district and they, along with the primary stores in the districts, rendered valuable service in the fair and proper distribution of foodgrains, cloth and other essential commodities to the public. The transactions of these stores developed rapidly during the period of control and rationing; and at the end of 1948-49, the 23 Central Wholesale Stores in the composite Madras State (including the Andhra districts) had a paid up share capital of Rs. 37 lakhs; the sales effected by them during the year amounted to Rs. 25.13 crores. The transactions of these institutions have no doubt dwindled after the removal of controls and rationing on account of the inability of the institutions to withstand competition from normal trade; nevertheless they continue to do useful work even now in the procurement and supply of

I have already told you that there are more than 100 employees' societies in the city. These societies have many problems and difficulties, which are common to all of them or to a large majority of them. There is no common organisation now, to serve as a forum for the discussion of their problems and difficulties, and for taking steps for resolving such difficulties and problems. I have been thinking, whether it would not be good for the employees' societies to form a Federation of their own, to be registered under the Co-operative Societies Act.

This is also a matter which requires to be considered by the employees' societies.

I do not wish, Gentlemen, to take more of your time. I would conclude by wishing the Madras Port Trust Co-operative Credit society a bright future, and its members every happiness and prosperity. I have no doubt that this society would have achieved a more remarkable progress, before it celebrates its Golden Jubilee.

Thanking you.



THE
Tiruchirappalli District Co-operative Central Bank, Ltd., No 178.
TIRUCHIRAPALLI
(ESTABLISHED IN 1909)
Fort Station Road, Teppakulam P. O., Tiruchirappalli-2
Tel:—"CO-OP. BANK," Post Box No. 324. Phone No 189
Branches:—KARUR & ARIYALUR.

Authorised Share Capital	Rs. 10,00,000
Paid up Share Capital	8,31,500
Reserves	12,25,370
Working Capital	1,52,29,370

Loans are issued mainly to Agriculturists through village Co-operative Credit Societies besides financing Stores, Weavers and Cottage Industries Societies.

Interest allowed on Current Accounts (upto Rs. 25,000 only)	1 1/2 %
do. Savings Deposits (upto " 10,000 only)	2 1/2 %
do. Provident Deposits (Compound)	3 1/2 %
do. Recurring Deposits (Simple)	3 1/2 %
do. Fixed Deposits 6 months	3 %
1 Year	3 1/2 %
2 Years and above	4 1/2 %
do. Rs. 10,000 and above for 3 months received upto 30.4.58.	4 %

All banking business are transacted. For further particulars apply to:
The Secretary,
The Tiruchirappalli District Co-op. Central Bank, Ltd.
Fort Station Road, Teppakulam-2 Post, Tiruchirappalli.
Post Box No. 324. **T. S. MUTHUKUMARASWAMI PILLAI,**
President.

*Rajagopal Buildings was declared open on the 4th June 1958
by Dr. S. Radhakrishnan, Vice-President of India.

the old adage goes, "Producers' credit leads to prosperity, while consumers' credit leads to poverty". The true hall mark of co-operative credit is, that it should be self-liquidating; and it cannot be said that this is the case with the credit allowed by these societies. Having regard to the objectives of these types of societies, it is necessary to restrain the propensity on the part of the members to over borrow. Hence effective curb should be imposed to restrain the frequent borrowings. Perhaps, a time limit of sufficiently long duration between one loan and a subsequent loan will be useful. There is already provision for a time limit of 4 months between one loan and another in the model by-laws of the employees' societies. Perhaps this limit may be made longer. No member should have more than 2 loans outstanding against him at any time. Facilities for taking pay security loans should also be vigorously put down.

In passing orders on the recommendations of the Committee on Co-operation, Government have ordered that an over-all limit of 50 per cent of the basic pay and Dearness allowance should be fixed, beyond which a member of an employees' society should not have commitments to the society towards recovery from his monthly pay, under instalments due on ordinary loans, pay security loans etc. I do hope, that when this limit is enforced in all the employees societies, the tendency to over borrow will be effectively reduced.

It is hardly necessary for me to draw your attention to the need for enabling employees to live in their own houses. There are no doubt housing co-operatives, which assist their members with loans

for construction of houses. But the problem is this; Before the employees could avail themselves of the loans available to them under the various housing schemes of the Government, they should be able to invest a certain proportion of amount themselves towards the cost of the houses. The employees' credit societies can help their members in this respect by promoting thrift among members for the specific object of purchasing house site or taking shares in housing societies, and by allowing withdrawals from the thrift fund to be utilised for such purposes.

Most of the employees societies now advance loans on the security of personal sureties or immovable properties or deposits. I wonder whether it is not necessary to provide for issue of loans on the pledge of jewels also, atleast in a few employees' societies working on sound lines and which have facilities for the appointment of appraisers, safe custody of jewels etc. In a sense, jewels owned by a member represents his savings and it is as good as deposit, on the security of which, loans are now allowed by the employees' societies. I am told that the employees, who wish to borrow on the pledge of jewels find it rather difficult to get this facility from co-operative institutions, as under the rules, they cannot be members of more than one credit institution. The need for, and the desirability of providing for the issue of jewel loans, in atleast select employees' credit societies or the feasibility of forming a separate bank for the employees for the issue of loans on the pledge of jewels requires to be examined. I am making this suggestion, so that employees' societies might apply their minds to it and give it further consideration.

great objective of a co-operative organisation, viz., Self-help.

Punctuality in the repayment of loans is still another virtue, which a co-operative organisation should encourage. The existence of overdues in a society is an indication that the members have either not applied the loans to the purpose for which they were taken or have not practiced thrifty living or that the society has not been alert in the enforcement of the obligations of the members or that it has not made a careful assessment of the members' repaying capacity. I am pleased to find that the overdues in your society is only Rs. 4,000, which is about quarter of a percent of the demand. No doubt, the provision made for the realisation of the instalments due from the members by deduction from their salaries, has been of help to the society in avoiding overdues, but hereagain, I will emphasise that this provision is a self imposed restraint on yourself, in the full realisation of its advantage.

It is well known that the cost of credit from private sources is very high, perhaps exorbitant, particularly for employees of Government or public bodies, factories or companies. In the absence of an institution such as yours to provide credit on reasonable terms, its members will be only thrown into the arms of unscrupulous money lenders. The fact that your society issues loans to an extent of about Rs. 35 lakhs per annum shows to what great extent the members have been kept away from this danger.

I would congratulate your society on the progress made by it in all the directions, which I have just now mentioned, in the promotion of thrift, in the building up of its own funds, in the

dispensation of credit and the enforcement of punctuality in the repayment of loans.

It may not be out of place for me to mention here the part played by the employees' co-operative societies in the city of Madras in helping their members in the way in which you have been doing. There are 104 such societies in the city, with a membership of 1 lakh and a paid up share capital of Rs. 45.5 lakhs. They have deposits to the extent of Rs. 93 lakhs and loans outstanding against their members to the extent of Rs. 169 lakhs. The thrift deposits contributed by the members of these societies amount to Rs. 24.40 lakhs. A co-operative credit society, with both credit and thrift as the two main lines of its activity, has now been recognised as an essential amenity for every Government or public body or private concern, where there are workers in large numbers. I must here acknowledge the fact that the heads of offices and managements of institutions, public and private, have generally been helpful to these employees co-operative organisations and I hope that they will continue to support these institutions in all possible ways. Indeed the good working of these institutions is calculated to bring prosperity and contentment to the employees, which in turn will lead to greater efficiency in work.

I would now like to make a few suggestions, which I hope would further the interests of the employees and their societies members.

One of the problems in employees' societies is the general tendency on the part of its members to indulge in over borrowing. Most of the members are consumers, rather than producers. As

Silver Jubilee Celebrations of the Madras Port Trust Co-operative Credit Society.*

ADDRESS

By

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

It gives me great pleasure to participate in the Silver Jubilee Celebrations of the Madras Port Trust Co-operative Credit Society. While it is not difficult for an institution to attain the age of 25 years and qualify itself for these celebrations, it is not given to every such institution to have passed through a period of robust growth and steady development, during this period. This society is one of those which have made remarkable progress in all directions, during the quarter of a century of existence.

You are aware that the employees' co-operative credit societies such as yours—as a matter of fact any co-operative credit society—is intended not just to dispense credit on easy terms—though this is a useful sector of its activity; what is much more important is, the promotion of thrift among the members. Indeed, in the olden days, a society of this kind was known as a 'thrift and credit society' so that the thrift aspect may not be lost sight of. I am happy to find that though the word 'thrift' does not form part of the nomenclature of your society, it has promoted thrift among its members to a considerable extent, and has thus always kept before itself the greater objective of promoting thrift. This is evident from the fact that the thrift fund accumulations of the members of this society, amounted to as much as Rs. 8.28 lakhs at the end of May '58. Critics might say

that these thrift fund accumulations are not the result of voluntary effort, but the result of a provision made in by-laws making it compulsory for every member to contribute a thrift fund on a specified scale. But this does not make your achievement less significant. After all, this compulsion has been imposed by yourselves in the full realisation of its advantage.

We should look at the mobilisation of savings, which has been brought about by this scheme of thrift, not merely from the point of view of the benefit to the individual; mobilisation of savings is of national importance as well. To the extent to which you pump your own funds in your organisation, it eases the strain on the financing banks, which will be able to help in a greater measure the less fortunate section of the borrowers.

Apart from the development of the thrift aspect, another happy feature which I find in your society is, that you have built up your own funds to a significant extent. You have got a share capital of Rs. 3.62 lakhs and deposits amounting to Rs. 10.14 lakhs. You have had to borrow from the Central Bank to the extent of only Rs. 51,000. Though an amount of Rs. 14.84 lakhs is outstanding against members, you have been able to manage the loan business mostly with your own funds. This shows a practical realisation on your part of another

of Congress, and the two Wholesale Societies, acting under the authority of their constituent societies, should jointly establish a new federal society to be known as the Co-operative Retail Development Society, the nominal voting shares to be held one-half by the Union and one-half by the two Wholesale Societies. These bodies would choose a part-time Supervisory Council in the same proportions, to consist of elected persons; the members would be chosen on the side of the Union by the Central Executive, and on the side of the Wholesale Societies from the new Supervisory Councils.

This Council would appoint a full-time Management Board, to consist (for purposes of illustration) of a Chief Executive Officer, his deputy, and the heads of an Operational Service Division, an Organization and Methods Division, a Retail Development Division and an Economic Planning Division.

46. The Council should also appoint a number of part-time members to this Board, to consist of an equal number of, on the one side, chief officials of retail societies, and, on the other, members of the Management Boards of the C.W.S. and S.C.W.S., together with the General Manager of the C.I.S.

47. The Chief Executive Officer of the Retail Development Society should also be *ex-officio* a member of the Management Board of the

C.W.S., and his deputy of the Management Board of the S.C.W.S.

48. The Development Society should not itself own capital. It would channel requests for capital from retail societies to the appropriate lending institutions, which will, of course, themselves be represented both on its council and on its Board.

49. The current income of the Society should be provided as to one-half by the Co-operative Union and one-half by the Wholesale Societies. This will require an increase in societies' subscriptions to the Union, which has already been recommended above.

50. The Congress resolution which authorizes, it is hoped, the formation of the new Society, should also include an injunction to it to proceed at once with the planning and establishment of the first national specialist chain.

51. The Movement is finally recommended formally to re-examine both major constitutional issues, and also its basic trading policies, at least once every decade.

Minority Report

Col. S. J. L. Hardie does not believe that the Committee's recommendations will achieve the greatest possible advantage to the Movement and has offered an alternative series of recommendations in a minority report.

*The Celebrations were held on 15-6-58.

39. By way of illustration, it is recommended that the Central Divisions should consist of a Secretariat, a Technical Services Division, a Retail Liaison Division, and (in the C.W.S.) an Agricultural Division.

40. Again, by way of illustration, the Finance Executive should consist, in addition to a chief official and his deputy, of the Bank Manager, the head of the new Investment Division, the Chief Accountant, an official responsible for share and loan accounts, and (in a liaison role) the General Manager of the Co-operative Insurance Society.

41. The Food and Dry Goods Executives should consist, in addition to the chief and deputy officials, of the heads of a series of vertically organized product divisions or groups of product divisions, with such full-time technical members as may be found desirable.

42. The Food and Dry Goods Executive should also contain a proportion (say, 3 or 4) of retail society chief officials, appointed by the Supervisory Council, as part-time members.

43. In order to accomplish the transition, the existing Boards of Directors should compose the first Supervisory Councils, and no Director should suffer any loss of salary or emoluments as a result of the change. The change of name and function should be sharp and immediate, but it is not proposed that the existing Directors should become part-time; the transaction in this respect should be accomplished by electing only part-time members as vacancies on the Council occur.

44. Meanwhile, the full-time members of the Council should

form themselves into an *ad hoc* Reorganisation Committee, charged with the single task of supervising the various structural changes in the Wholesale Societies proposed in the Report.

A Co-operative Retail Development Society

45. The Movement urgently requires to establish national chains of specialist shops in certain of the dry goods trades.

Notably in the clothing and footwear field, in which the Movement is lagging conspicuously behind, the advantages of multiple shop organization are well proved and local societies, restricted by boundary agreements, are in no position ever to attain these advantages.

The contrast between the co-operative and multiple scale of operations in these trades can only be described as staggering. In most food and some dry goods trades, a rapid programme of amalgamation, combined with a development of federal action, would give the Co-operative Movement an economic average scale of operation. But in clothing and footwear it could never do so; for here only a national, or at least a regional, market would justify the necessary scale.

On the side of retail societies, this requires a surrender of the notion that the local society can claim a permanent monopoly of Co-operative trade in its own area; regardless of the untapped Co-operative potential which may exist. At the centre, it requires a body first to decide on and then to plan the establishment of the national chains.

To carry out these various central functions the Co-operative Union, acting under the authority

32. The Wholesale Societies should adopt the system already commonly used in private trade, whereby the buyers spend a definite proportion of their time in retail stores making contacts with sales staff and customers, and so becoming more "retail-minded".

33. The Wholesale Societies should be willing to make known to retail societies the terms of invoicing-through agreements for, if they are justified in their claim that no one is worse off as a result of these agreements, there can be no point in the present secrecy.

Merchandizing of Co-operative Productions

34. Clear decisions should be made as to where the responsibility lies in each case for the merchandizing of Co-operative products. If it lies on the production unit, then the factories must be free to set up their own sales organizations, conduct their own promotion campaigns and even, if necessary, sell to private trade. If it lies on the wholesale unit, then the wholesale buyers must ensure, by alert and dynamic specification buying, that the factories are kept fully utilized. The choice will vary according to the commodity. But the responsibility must rest firmly on one unit or the other; and the unit concerned must then, without either expecting or demanding special consideration on grounds of loyalty, but simply by the exercise of its own initiative and enterprise create the market for goods.

Financial Policy

35. The Wholesale Societies should make every effort to allocate more to reserve than they do to-day, the objective being that the operations of the Trading

Departments should ultimately be independent of withdrawable loan capital.

36. At a suitable future date the Wholesale Societies, while retaining the present system of withdrawable deposits, should create in addition a new form of long or medium-term loan carrying a higher rate of interest.

Management and Labour Relations

Both the greater part of the recommendations to retail societies under the heading "Management", and the recommendations to the Co-operative Union under the heading "Labour Relations", may be taken as applying also to the Wholesale Societies.

Reorganisation of the Wholesale Societies

37. The function of democratic control should be exercised in each Wholesale Society by a lay Supervisory Council, elected in the same way as the present Boards, but ultimately part time instead of full time. Its role would be essentially a trustee and supervisory one, exercised on behalf of the member-societies; it would confine itself to supervising and sanctioning major policy, and altogether eschew interference in detailed management.

38. Each Council should appoint a full-time central Management Board, to be managerially responsible for the organization as a whole. Below this there should be a Finance Executive, a Food Executive, a Dry Goods Executive, and a number of Central Divisions. The Management Board would consist of the chief Executive Officer (and his deputy) of the whole society and the heads (and in some cases their deputies) of these Executives and Divisions. It should not, however, exceed a size of (say) 12.

Joint Industrial Council with the Trade Union in addition to the existing wages machinery. This would provide a forum for joint discussion not only of such questions as staffing, labour turn over, training and promotion, but also of the wider economic problems facing the Movement.

Central Services

23. The Co-operative Union Labour Department should be expanded and given explicit new functions. In addition to its present responsibilities for wage negotiation and conciliation, it should become a central advisory body on such questions as bonus and incentive schemes, staff training, recruitment policy, joint consultation, and personal relations generally.

24. An Employment Advisory Service should be created by the Co-operative Union to act as a meeting place for potential management recruits and potential employers, and to provide, if requested by societies, expert and independent advice on the selection of senior officials.

25. Both the Co-operative Union Finance and the Research and Statistical Departments should be enlarged, and they should, in addition to their present functions, provide for the benefit of Boards of societies regular yardsticks of trade and capital progress to enable the Boards clearly to judge the relative efficiency of their societies.

Finance

26. The Central Executive should propose to Congress a substantial increase in societies' contributions to the Co-operative Union, which are lower as a proportion of trade than they were before the war.

Recommendations to the Wholesale Societies

Production Policy

27. The greater proportion of co-operative capital expenditure in the next few years should take place, not in the production, but in the retail field.

28. The Wholesale Societies should as opportunity offers, narrow the range of output and the number of separate lines which they produce, and use available resources primarily for improving the efficiency and expanding the output of the remaining lines.

29. Detailed investment decisions should be taken on the basis of a comparison of relative rates of return on capital.

30. Working capital and transfer costs should be accurately allocated to all productive units, and a central audit department should have the duty of examining the books of all units, and of reporting to the Board on what use they are making of the capital allocated to them.

Merchandizing and Wholesaling Policy

31. The Wholesale Societies should establish an open system of volume discounts on all orders (including on goods which are invoiced-through); they should vary their prices and margins broadly according to the actual services which they render, charging only a buying commission to the society which is prepared to take delivery direct to its own warehouse, but a full wholesale margin to the society demands a full range of wholesale services; and they should introduce stricter obligations as to contract than now appear to exist.

be abolished, and the main Board should meet at the very most weekly and possibly monthly.

12. All societies (except very small ones, where the question hardly arises) should, if necessary with the help of outside business consultants or the Co-operative Union, create a clear management structure, with unambiguous job specifications and an explicit chain of command.

13. The Movement should be more willing than it has been in the past to recruit from grammar schools and universities.

14. In all large societies, the selection, recruitment and training of school-leavers should be the responsibility of a specialized Personnel Department.

15. Board should, when considering the recruitment of the managers of the future, adopt a more generous attitude towards salaries—though they should then be more ready to dismiss officials for slackness or incompetence.

16. All large societies should establish a system of management trainees; that is, they should select their most promising material in the 20-25 age-group and give them intensive training as the potential top officials of the future. This training should, where possible, include selection for the main courses at the Co-operative College.

17. All societies should adopt a definite policy of regular consultation with the representatives of the Trade Unions and the employees, and medium and large societies in particular should devote more resources than they do now to the increasingly specialized function of personnel management.

Amalgamation

18. Retail societies should accept the view that the "ideal" number of societies is in the region of 200-300, and they should willingly co-operate in the national amalgamation survey and plan recommended below.

Recommendations to the Co-operative Union

19. The Central Executive should invite Congress to authorize a national economic and trading survey designed to lead to definite proposals for amalgamation.

20. The Sectional Boards should then draw up at least the outline of actual schemes for amalgamation, and should present these, sometimes in the form of alternatives, to the societies, concerned. Where the Board of a society opposes an amalgamation proposal submitted to it by the Sectional Board, it should nevertheless offer the latter equal facilities with itself for presenting the case to a members' meeting at which the final decision should be taken.

21. The following principles should be observed in the preparation of the amalgamation schemes. First, the interests of the employees must be fully safeguarded. Secondly, suitable guarantees must be given to the senior officials of the societies concerned. Thirdly, where local conditions make this possible, existing Boards can sometimes be kept in being as District Committees of the new society. Lastly, further to retain the element of local identity, it may sometimes be possible for a society transferring its engagements to retain its local name "X" Division of "Y" Society.

Labour Relations

22. The Co-operative Union should establish some form of

but only goods for which it is willing to accept complete responsibility; and to maintain the highest standard of shop location, lay-out, appearance and service. The slogan should be that "nothing is too good for the Co-operator".

Recommendations

The main recommendations are divided into two groups: first, detailed recommendations to retail societies, the Co-operative Union and the Wholesale Societies respectively; secondly, two major structural recommendations which the commission regards as the most central and most immediate in its report.

Recommendations to Retail Societies.

Dividend and Price Policy

1. The traditional maxim—"sell at market prices and treat dividend as a residual"—is still in principle correct, provided that "market prices" are interpreted as being the prices of the most successful private competitors in each trade and each area. This should be the price policy of retail societies.

2. When faced with the choice between a small increase in dividend and an additional allocation to the reserves, societies should normally choose the latter.

3. Societies should seek to stabilize dividend at a level (if necessary below the current level) which, in the light of local history and conditions, is high enough to act as an effective inducement to trade, but not so high that it cannot be maintained for a period of years ahead; and they should allocate the remaining surplus, and any increase in the surplus to reserve.

Financial Policy

4. Societies in need of fresh capital should consider more carefully than they have done in the past the possibility of offering higher rates of interest.

5. The Movement should be circumspect about relying too heavily on the growth in superannuation funds as a regular and reliable source of new finance.

6. Societies should set aside more than they do to-day for depreciation.

7. Societies should allocate substantially more to reserve than they do to-day.

8. Societies should call on some part of their huge reserve of financial investments. This raises the question of what is the correct ratio of liquid assets to withdrawable members' capital.

On this point, the Movement should define with great precision what constitutes a liquid asset, and societies should treat as their liquid reserve only that part of their investments, which is genuinely liquid.

9. A 20 per cent liquidity ratio should normally be regarded as appropriate for the Movement as a whole, although some individual societies may find it advisable for reasons of local history and conditions to adopt a higher, or even a lower, figure.

Management

Societies' Boards should concentrate on major policy and ultimate supervision, leaving the detailed management to the paid officials; and the exact division of responsibility between Board and officials should always be clearly laid down.

11. As a general rule, standing Sub-Committees of Boards should

so far as purely physical causes are concerned, to an inadequate number of dry goods outlets all over the country; an inadequate number of food outlets in the Southern half of the country; the faulty location of many dry goods outlets; and a maldistribution of outlets as between small towns whereas there are relatively too many) and large towns (where there are relatively too few).

The report then turns to the wholesale picture, and finds that the Wholesale Societies appear to have maintained their position as general food wholesalers to the retail societies. That is, the later buy approximately the same proportion of their food supplies through the Wholesale Societies as they did before the war. But in non-food goods, and especially in furnishing, hardware and electrical goods, the wholesale societies appear to have lost ground; and the retail societies now obtain a higher proportion of their supplies from outside the Movement.

The production of the Wholesale Societies appear slightly to have increased their share of total retail society sales since before the war. But this is mainly due to the expansion of a number of processed commodities such as milk and meat. Manufactured goods as a whole do not appear to have increased their share; and there has been a sharp decline in the share of footwear, furnishings and hardware.

As there has been a large increase in production capacity since before the war, the consequence is that a number of factories are now seriously under-utilized.

Framework of Principles.

The Commission conducted the inquiry and made its recommendations on the assumption that co-

operative societies will continue to be organised on the following basic principles.

First, the democratic principle. Naturally the precise character of Co-operative democracy has altered with the growth in the size of societies and other technical and economic changes. The degree of member-participation is now much less; and it is no longer feasible for the elected Board to undertake the detailed day-to-day management of a society. But neither of these changes is regarded as destroying the reality of democratic control, provided, on the one hand, that the fraction of members who do participate is representative of the whole, and, on the other, that the elected Board concentrates, not on the minutiae of detailed management, but on ultimate supervision and control.

The second principle is that the distributable surplus belongs to the consumer, and accrues to him in proportion to his purchases instead of to the capital-holder in proportion to his shareholding.

The third principle is that of a fixed return on capital carrying with it the consequence that private capital gains cannot occur in the Co-operative Movement.

The fourth principle is that of consumer-production. This the report defines, however, not in terms of a purely negative duty to combat exploitation or the sale of adulterated goods, but in terms of a positive obligation actively to promote the interest of the co-operative consumer.

A retail society, says, the report, should accept the following aims: to sell at prices which are never consistently under-cut by any major competitor: never to sell shoddy or untested merchandise,

Independent Commission's Report—Summary of Conclusions and Recommendations.

[The following is a summary of the conclusions and recommendations of the Independent Commission established by the 1955 Co-operative Congress of Britain to examine and report on the productive and marketing problems of the Co-operative Movement in that country. Mr. Hugh Gaitskell, it will be recalled, had been appointed Chairman of the Commission. Its Report, completed after nearly two years of thorough investigation into co-operative affairs, was handed over to Mr. G.R. Douglas, Chairman of the Co-operative Union following the Commission's final meeting in London on March 14, '58.

The Report is a document of the highest importance and should be of considerable interest to co-operators in India also. The following summary, which is reproduced from the "Co-operative Review" of April '58 covers all the essential points of the Report.—*Edr.*]

The co-operative share of the total retail trade is approximately 11 per cent. This is scarcely higher than it was before the war; and there has evidently been a marked showing-down in the rate of co-operative expansion. In particular, before the First World War co-operative retail societies and the multiple shop organizations enjoyed about equal shares; to-day, the multiple share is almost double that of the Co-operative Movement.

The failure significantly to expand the co-operative share of trade since before the war has been mainly due to the weakness of certain sections of the dry goods trade, states the report. Nevertheless, the position in the food trades also gives ground for some concern. The small increase in the co-operative share of these trades as a whole has been almost entirely due to a spectacular expansion in the milk trade: the share of the groceries, provisions, fish, fruit and vegetables, and household stores trades has declined.

Trade progress has also varied considerably as between regions.

Between 1948 and 1955, the Southern, Midland, Western and Northern Societies increased their share of retail trade in their areas; the North-Eastern Section barely maintains its share; while the South-Western, Scottish and North-Western Sections actually lost ground. These variations in progress cannot be entirely attributed to variation in the initial degree of penetration. However, the greatest scope for further expansion still lies in the relatively under developed Midland and Southern half of the country, and especially in the Greater London area.

The variations between individual societies are even more pronounced. Of the 97 societies with a turnover of more than £2 million per annum in 1955, only 31 increased their share of retail trade in their area between 1948 and 1955, a further 31 failed to hold their share by a comparatively small margin, with 35 lost a significant amount of ground.

The Physical Causes

The weaknesses are primarily due, in the Commissions' opinion,

Several thousand miles east in a large manufacturing city is another man who knows nothing about farming, but who also finds co-operatives an important part in his life. He is William Smith, a factory worker. His wife likes to do some of her buying at a co-operative grocery store. Prices are competitive, but the stores annual profit is divided among community families, who own shares in it.

In the same way, the Smiths save \$5 per week—almost every week—with fellow employees in a credit union—a co-operative which they jointly own and control at the plant. When they want a new piece of household equipment and need money to pay for it, they turn to this small loan service. The Smiths once considered giving up their own home and moving into a new co-operative apartment house that was going up in their neighbor-

hood. Family sentiment, however, won out and they stayed in their own house.

But if the Smiths and Sevensens represent two sections of the population that make up the United States, the intangible spirit of co-operation—the basis for such economic mutuality—extends to nearly all areas. Small businessmen have their own co-operative buying organizations, while neighbors from different strata of society often pool funds to buy such things as power, grass mower to cut their lawn.

Co operatives exist where people are free to make their own economic decisions. The mutual organizations spread business ownership broadly among millions of plain people. And thus they can control in democratic fashion at least part of their economic destiny without heavy reliance on government.

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Other Reserves	Rs.	5,70,963
Working Capital	Rs.	2,10,31,082

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

Co-operative Merchandising Widespread in the United States*

The spirit of co-operation runs strong in the American national character. It is heritage from the pilgrim forefathers who found it necessary to work together to survive the bleak beginning of the infant western nation. Americans to-day are still strong believers in co-operation as a way of life, in co-operatives as a means of spreading business ownership broadly among millions of people. There is hardly an economic or social need that some co-operative somewhere in the United States is not endeavoring to meet for its members. While 80 million people in the free world—from Scotland to Burma and from Iceland to Australia—use co-operatives to do many things, probably nowhere do they have as varied a use as in the United States.

Co-operative grocery stores and automatic gasoline stations are common in most large cities in the United States, while approximately one-fourth of all farm marketing and one-sixth of all farm supply business is done through co-operative organizations. The long list of these mutual organizations include such endeavours as credit unions, group health plans, rural electric and telephone co-operatives, housing and even funeral co-operatives. Such internationally known organizations as the Railway Express Agency, the large news-gathering agency Associated Press and the Underwriters Laboratories (the safety testing and certifying agency of the electrical industry) are outstanding examples of co-operative enterprises in the United States.

But for the most part, co-operative organizations are owned by and operated for small-income people. Unlike individual proprietorships, partnerships and corporations, the purpose of which is to earn a profit, the function of the co-operative is to provide a service to members at cost. Any small profits generally is divided among members. Thus a farm milk co-operative, by acting for its members as their business agent, frees each farmer to spend more time in his fields and barns and less in the market place selling his products.

A typical farmer living in the agricultural midwestern part of the United States is Olaf Svensen, who can't imagine life without the many co-operative endeavors which fill his day. Coming from ancestors whose way of life in a Scandinavian country was built around co-operatives, Svensen invests with others in such co-operative ventures as his church, farm organization and the school which his children attend. He has an equal vote and vote with his neighbors in these organizations, just as he has in his township government. Through their co-operatives, the farmers in his community own an elevator to store and ship their grain; they buy their feed, seed, fertilizer and other farming supplies from a co-operative store. He is a member of an electric power distribution company, a mutual insurance firm, a livestock shipping association, a small loan company and a petroleum distribution company.

*Source: A feature article offered exclusively to the 'Madrass Journal of Co-operation' by the U.S.I.S.

ex-soldiers on land, it found a place in various schemes prepared by the Government of India and State Governments for postwar developments. The partition of the country and problem of rehabilitating the refugees gave added importance to the question of farming and the problem of increasing food production within the country in the face of growing food shortage and the need to restrict imports of food stuffs for other essential requirements further increased its importance.

In 1946, the Co-operative Planning Committee examined the problem of joint farming in detail and suggested that wide publicity should be given to experiments in co-operative farming all over the country. It recommended such measures, not only for the settlement of ex-servicemen but also for the reclamation of waste land for the sake of enhancing the supply of food. The Government.

in deficient States in India, have taken to co-operative farming, notably as a means of growing more food but also a measure of rehabilitation of refugees⁵.

The Planning Commission have considered co-operative farming, as a suitable means of large-scale production and larger units of cultivation are bound to increase efficiency in agricultural production. The commission have pointed out ".....it can be suggested that in any area where a majority of holders representing at least half of the total area under cultivation desire to establish a co-operative farm, legislative means should be at their disposal to proceed with the formation of a co-operative farming society for the whole village. The State, on its part, should do everything in its power to encourage the establishment of such farms and to promote their satisfactory working afterwards"⁶.

⁵Cf. Progress of Co-operative Farming (1948-49) Source: Co-operative Farming, Ministry of Agriculture, Government of India 1949.

State.	Area under farming (in acres)	No. of Societies.	Type.	Remarks.
Bihar	366	...	...	...
Bombay	3,651	37 (21)*	...	...
Madhya Pradesh	423	...	...	Experimental
Madras	12,464	...	Tenant Farming	...
Orissa	300	...	...	...
Uttar Pradesh—				
(1) Ganga Khadir	16,416	...	...	Reclaimed lands
(2) Main Waradarauna	933	...	...	...
Vindhya Pradesh	4,802	4(1)*	Joint farming.	Refugee colonisation.
Saurashtra	400	...	...	...
Kashmir	2,795 (Kanals)	...	...	...
Mysore	50	1	Joint farming.	...

*Societies in action.

Cf. Progress of Co-operative farming in India in 1951. Source Progress in Land Reforms—United Nations Department of Economic Affairs, New York 1955—Page 247.

Type of Co-operative	Number	Area covered (thousands of acre).
Better farming	350	50
Tenant farming	110	20
Joint farming	220	85
Collective farming	80	"

⁶The First Five Year Plan—Page 167.

SPECIAL ARTICLES

Experience of Co-operative Farming and other Systems of Mutual Aid in Cultivation in India

By

M. BALASUBRAMANIAN, M.A., B.SC.,
Lecturer in Economics, Annamalai University.

[The writer of this article has examined the scope of "Co-operative Farming" in India and spotlighted some of its problems. This is the second instalment of his note.—*Edr.*]

Co-operative Farming in some of Leading Countries.

Co-operative Farming, in the sense of joint cultivation and joint sharing of the produce has not attained any popularity in the advanced countries of the West largely owing to the individualism of the farmers but experiments in Co-operative Collective Farming have been developed in countries like Palestine, U.S.A., U.S.S.R. and some of the Eastern European countries and in all these countries, these societies have in a large measure, changed the entire social, economic and cultural life of the people¹. A review of the results² achieved in this field, in some of these countries, is given below.

Joint farming has achieved varying degrees of success in different countries. Only where either special incentives existed among its sponsors or its development was actively favoured by the States. Co-operative Farming has achieved a high degree of development, *e.g.*, it was the religious creed of Hutterites or the sense of historic mission among the Jewish Pioneers in Palestine that helped in knitting the groups close together and led to the success of co-operative settlements. In U.S.S.R. and Mexico it was the State policy that shaped the growth of collective farming.

In U.S.A. Co-operative farms were organised by the Farm Security Administration to provide farmers and labourers with employment during the days of depression. Similarly though joint farming societies in Hungary, Bulgaria and Yugoslavia are voluntary associations of farmers, yet state policies have played a notable part in their organisation and method of working through official propaganda and pressure. Therefore in India too, if co-operative farming is to take deep roots and achieve a substantial measure of growth, deep and abiding interest by the State and full measure of the co-operation of the people will be found essential. Equally necessary will be a proper understanding of the problems connected with joint farming and the factors likely to lead to its success on the part of both the people and the officials also.

Co-operative Farming in India

Co-operative farming, in the sense of joint cultivation of land is a recent origin in India. Some stray experiments in the field were made in the past by some cultivators but most of them failed³. Indeed the very idea of organizing joint farming societies on a planned basis, may be said to have originated only at the end of World War II⁴. With the need for settling

¹Reforms on Land-Holdings in India—By Mr. T. Sankaran Pillai—Madras University Gokhale Endowment Lectures (1952-53).

²Summarised from Co-operative Farming—Reserve Bank of India Publication—Page 13 to 41.

³ and ⁴Co-operative Farming—Reserve Bank of India Publication—Page 42,

TELEGRAMS : "CENMORBANK"

TELEPHONE : 71061

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

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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 balance with Banks	94,744
Reserve and other Funds	... 23,69,303	Loans to Primary Banks	... 4,05,43,691
Debentures	... 5,13,64,600	Sinking Fund Investments	... 1,66,39,437
Deposits, Loans and Overdrafts	... 44,94,789	Other Investments	... 29,47,727
Sundry Liabilities	... 9,41,652	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.

**The Co-operative Central Bank Limited,
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Working Capital ...	88,53,550

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ESTD. 1930

President:

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

Authorised Capital	Rs. 15 lakhs
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Current Deposits	1 1/2 %
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One Year	4 1/4 %
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N. M. SIVAPERUMAL,
Secretary.

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The Department of Agriculture, Madras, is publishing a Monthly Journal in Tamil, called **Mazhichelvam**. 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.

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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.

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" 3 "	4 "		
" 4 years "	4 %		

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

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2. Subscribers will be enrolled for the Journal either in July, or October, or January or April, each year.

3. The Journal is published at the end of every month.

4. Complaints about the non-receipt of the Journal should reach the Secretary within the 15th of the next month. Otherwise requests for copies will not be complied with.

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

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

transfer the "Thrift Deposits" to members, in order to enable them to utilise the amount under "Thrift Deposits" for the purchase of house sites or for taking shares in housing co-operatives.

Secondly, Registrar has made a very valuable suggestion regarding the issuance of jewel loans by Employees' Societies. It is, indeed, a fine and exceedingly practical suggestion. Members of Employees' Societies are generally monthly or weekly salary earners. Living mostly in towns and cities, they are conditioned to a middle-class life. Jewels are the only form of family assets, which these people possess by virtue of their tradition and social position. Apart from the pay-security loans, for which provision already exists, the provision of jewel loans would confer on these fixed income

earners a great and facile credit facility. We hope that as an experimental measure, some of the big Employees Societies in city should start a jewel loan section in their institutions. The Registrar has correctly pointed out for the need to appoint the necessary staff like appraisers and also to have adequate safety vault facilities. We are sure, that if the jewel loan facility is provided, there will be a great demand for this service; it may, to a large extent reduce the stress on pay security loans. We wholeheartedly welcome this measure and we hope that with the provision of the jewel loan facility, the Employees Co-operative Credit Societies would become a more useful and efficient instrument of credit to hundreds and thousands of employees.

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A. Sivan,
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R. Nagulswami Naidu,
President.

Editorial Notes

EMPLOYEES' CO-OPERATIVE CREDIT SOCIETIES

Employees' Co-operative Credit Societies are discharging one of the most useful services to the salary earners in the State. But for these agencies, the bulk of the salary earners, who are employed in commercial and Government offices would have got themselves in the clutches of the money-lenders. Besides being money-lending institutions, they have, to a large extent, inculcated the savings habit among its members. The credit provided by these institutions are cheap, timely and facile. The method of recovery and repayment is well designed to suit the convenience of fixed income members. Above all, in our State, there is a very excellent system of collecting "Thrift Deposits" according to a specified scale. These deposits are collected in small doses, but together they constitute a very sizable amount. Thus viewed from the twin angles of credit and thrift, these institutions have become a valuable instrument for the betterment of the salary earning class.

But a crucial problem was confronting the employees' societies in the past, namely the problem of recovery of members' dues to the societies. Salary-earners as a class are more consumers than producers. The credit given to a consumer always inflates the propensity to consume and lands the borrower into difficulties. But the interest of the societies must be safe guarded. Therefore, the societies insisted upon the borrower-member to execute an agreement with the Pay Disbursing Officer to deduct his dues to the society from the pay. But it was only an informal agreement. Some of the members, who unfortunately did not realise their

responsibilities, in times of financial stress revoked these agreements. Such actions led to a great predicament. The Societies were faced with a serious problem of recovering the dues of the members. The only way out of this difficulty, it was felt, was to ensure the compulsory recovery of members' dues to co-operative societies from the salaries through suitable legislation. We have also impressed upon the Government to enact the necessary legislation. We are glad to report that on the 19th July 1958, the President of India has been pleased to give his assent to Act No. XVII of 1958. This amendment to the Act VI of 1932 has inserted a new provision, Sec. 28, which has provided for the statutory deduction from the salary or wages, of the member's dues to societies. We do hope that this provision would go a long way to ensure the prompt recovery of members' dues to societies and also pave the way for the efficient working of the Employees' Credit Societies.

Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras, in his illuminating address to the Madras Port Trust Co-operative Credit Society has drawn pointed attention to the need for promptness in the repayment of loans. He has appealed to the members to put a curb to the tendency of over-borrowing. He has also given some useful suggestions to be incorporated in the by-laws so as to restrain the tendency to over-borrow.

The Registrar has also given two other suggestions for improving the serviceability and usefulness of the Employees' societies. He has advised them to make a provision in the by-laws to

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THOUGHT FOR THE MONTH

Co-operation is Morality in Human Action

Furthermore, it is the experience of every country that has any experience to record, that Co-operation stands out for moral uplift, for honesty and for the homely virtues that count for so much in the daily lives of the people. It possesses the peculiar faculty for making virtue pay. All human beings are continually striving after the satisfaction of some material need. Co-operation holds out the prospect of success in this effort, provided the persons concerned possess certain moral qualifications. Without these, failure is inevitable. Through Co-operation, morality is taken out of the copy book maxim and placed in the forefront of human action as absolutely essential to success in the most ordinary affairs of life. Moreover, the morals of an individual cease to be a purely private matter for his own conscience, they become of importance to the whole community to which he belongs.

H. CALVERT.

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