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THE Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

HON. EDITOR :

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

ASSOCIATE EDITOR :

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

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THOUGHT FOR THE MONTH

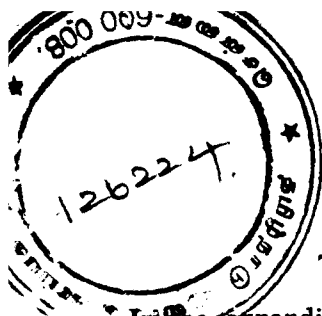
Citizenship Training

The plan I have ventured to hint at in this paper; the ideal is yours by inheritance—it is nothing less than that of brotherhood and a perfect citizenship. We have abandoned, and rightly abandoned, the attempt to realise citizenship by separating ourselves from society; we will never abandon the belief that it is yet to be won, amid the press and confusion of the ordinary world in which we move. If, however, this great task is to be accomplished, if co-operators are to arrive at a correct solution of the social problems which are every day becoming more grave, if workmen are to rightly exercise the unparalleled political power of which they have become possessed, then they must receive a social and political education such as no other institutions have offered, and which I believe co-operative societies, by their origin and their aims, are bound to provide.

—ARNOLD TOYNBEE,

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Editorial Notes

THE ROLE OF URBAN BANKS

In the expanding economy of our nation, Co-operative Movement ought to develop and permeate the diversified aspects of the economy. Though the main emphasis is laid on agricultural production in our Plans, care should be taken to see that the needs of the cities and towns are not overlooked. Co-operative Movement has registered a measurable progress in the field of rural credit. As early as 1914, the MacLagan Committee has pointed out the desirability of starting non-agricultural Credit Societies and developing them, *paripasu* with the Agricultural Credit Societies. The first Co-operative Urban Bank was started in 1905 at Kancheepuram and ever since that, attempts have been made to develop Urban Banks almost in all important towns and cities. These institutions are designed to render credit facilities to the small traders, artisans, agriculturists and other middle class people, who live in cities and towns. As they serve a very important section of the population, who have either regular business incomes or small property securities, these institutions, have been successful to a very high degree in improving the business and savings capacity of the members; besides, they have been in a position to build up adequate reserves and discharge banking and credit services in a very effective and efficient manner. These institutions have permeated even in remote urban and semi-urban areas, where there are no adequate banking facilities and have been of immense use to the members of middle and professional classes in matter of

obtaining cheap credit and banking facilities and of cultivating the habit of thrift and savings. These institutions advance jewel loans, mortgage loans, deposit loans and security loans. They obtain their funds from all kinds of deposits fixed, current and savings and in a few institutions, the recurring deposits are also collected. The Urban banks in our State have registered very good progress. As on 30-6-1957, there were 142 Urban Banks, with a membership of 2.80 lakhs, a paid-up share capital of Rs. 70.68 lakhs. They have collected Rs. 419.01 lakhs as deposits and have issued loans to an extent of Rs. 344.77 lakhs. They borrow only a small percentage from the District Co-operative Central Banks i.e., about 6.9 per cent and their own funds constitute a very high percentage of their working funds. The urban banks have built up significant reserves; they loan out of their own funds and deposits and many of them own their own buildings and in short, the urban banks have become an energising, stable, and effective instrument of credit service in the Co-operative Movement of to-day.

In towns and cities, Co-operative Urban Banks are the only institutions, which provide short-term, and medium term loans to the members at more or less cheap rates. But as per Rule VIII-A, these institutions cannot advance loans for more than 3 years duration, for their resources either by way of deposits or loans from central banks are always short-dated. But the George Town Co-operative Bank Ltd. has

hit upon a very happy source of finance through its monthly savings and loan Fund. The Bank has a recurring deposits system by which any member depositing Rupee one for 84 months will get a cumulative amount of Rs. 102-8-0 at the end of the period. Each member can subscribe any amounts varying between Rupee one to Rupees 250 each month, according to his saving capacity; He can also get 90 per cent of the amount accrued under this scheme as loans. Besides an assured dividend of 6½ per cent, the member also gets a bonus of 3 pies per rupee on the paid-up subscriptions. Thus viewed from the stand-points of convenience, duration and return, the system of Recurring Deposits is a great asset to any urban bank and enhances the serviceability of these urban societies. Besides, they offer excellent opportunities for the inculcation of the habits of thrift, mutuality and punctuality in the minds of members. Since the repayment of loans are fixed in monthly instalments ranging over seven years and since the interest burden is lessened for punctual repayments on account of the bonus system, the position of the borrower is rendered easy. Thus both the borrower and the saver are alike benefited and the institution, too is put on a self-reliant financial foundation. The success of the George Town Bank as one of the pre-eminent societies is due, to a large extent, to the popularisation of the Recurring deposits scheme, which brings in nearly a fourth of the total transactions of Rs. 72 lakhs. There is another important feature of the working of the Urban banks. Equipped with 7 year resources, the institutions are in a advantageous position to issue loans on the mortgage of houses. House is a very good

form of urban property, upon the security of which, loans can be easily obtained. House construction and house renovation finance can be provided by the urban banks and such financing is in great demand in towns and cities. Not only that, Small property owners find it extremely difficult to get short term finance at cheap rate for business, industrial or professional needs by pledging the houses. The rates charged are exorbitant and quite often, the borrowers are forced to auction off their properties to meet their dues. Urban Banks such as the George Town Co-operative Bank do a great and distinctive service in providing mortgage finance at the opportune moment and thus help the members to retain the ownership of their properties, a service which is of utmost social value. Sri K. Kamaraj complimented the Bank on its excellent work in providing house mortgage finance at moderate rates. In the absence of adequate number of house mortgage banks, the services rendered by Urban banks in this direction is invaluable. There is an urgent need for starting House Mortgage Banks in each district and an apex institution to finance these institutions. We request the Government to push through the house mortgage bank schemes vigorously.

The provision of jewel-loan facilities is again a matter of considerable importance. Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras has suggested that having regard to the existence of innumerable pawn-shops in the city and environs, there is a good scope for starting Jewel Loan Banks specially for the purpose of issuing jewel loans. It is no doubt, true that nearly 75 per cent of the pawn-broker business is confined

to pledge-loans, either of jewel or domestic utensils. These easily pledgeable articles are the floating assets or circulating capital of middle and lower middle classes. Another important factor about these loans is that they are easily or quickly redeemed, the moment the pressure for funds ceases, because of their social value. In a sense, they are self-liquidating in character and they are highly useful in tiding over temporary shortages or deficits in the family budgets. It is here that the usurious propensity of the money lenders finds a fertile field for exploitation. The learned Registrar's suggestion is highly valuable and it is hoped that urban Banks would concentrate on this portfolio and take urgent steps for effectively increasing the jewel loan business by providing an efficient valuer service and adequate safety vault facilities. As an adjunct, safety-vault facilities may also be provided at a nominal cost as some of the commercial banks do.

It is a matter of gratification to note that some of the urban banks provide loans to agriculturists in the neighbouring areas either by issue of jewel loans or produce loans. Some of the banks perform some commercial banking functions like discounting and collecting cheques to a limited extent. To some extent, they also provide marketing and merchandising finance. The urban banks often act as transmitting agencies to the

District Co-operative Banks. It is time that the Reserve Bank of India and State Bank of India study the working of the urban banks an auxiliary system of rural, marketing and small scale industrial finance and devise ways and means for assisting and strengthening the urban banking institutions. There are two desirable methods of assisting them:—(1) by extending the concessions as per the remittance facilities scheme to urban banks, (2) by providing concessional finance to the urban banks. We plead that some concrete measure of assistance may be given to these useful institutions.

Declaring open the buildings of the George Town Co-operative Bank, Ltd., Sri K. Kamaraj, Chief Minister of Madras emphasised that for any good work, three qualities—efficiency, honesty and enthusiasm are essential. He further added, that Co-operative Institutions must promote thrift, self-help and mutual help and should help the poorer strata of people to live contentedly and happily. Urban banks must concentrate on improving their working and should see that every member especially the poor and lower middle class people stand to benefit by their working. That is the test of success, and we do hope that those associated with co-operative urban banks would do everything in their power to help the common man to achieve a better standard of life and to promote a healthy spirit of fellowship among all.

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Reserve Fund	...	Rs. 1,06,575
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Daily Handling	...	33,000 lbs. of Milk
Annual turnover	...	Rs. 30.31 lakhs.

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All Depots and House Delivery boys—Rs. 1.28 per M.M.
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Special order 1 Measure	Rs. 1.44	..
Ghee 1 viss	Rs. 8.00	..
Palkova (with sugar) 1 viss	Rs. 6.00	..
Palkova (without sugar) 1 viss	Rs. 6.50	..

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PURASAWALKAM.	31,	Swami Pillai Street, Choolai.
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M. ARULANANDAM, B. Com. (Hons.)
Secretary.

The Co-operative Central Bank Limited,
Vellore, N. A. District.

Telegrams: "COBANK"

Telephone No. 52.

Share Capital:

	Rs.
Authorised	10,00,000
Paid up	6,82,750
Statutory Reserve...	4,08,235
Other Reserves	1,77,580
Working Capital	88,53,550

All types of Banking business done and every kind of deposits accepted at favourable rates of interest.

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President,

The Madras District Co-operative Central Bank, Ltd.,
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ESTD. 1930

TELEPHONE NO. 2384.

President:

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

Authorised Capital	...	Rs. 15 lakhs
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All kinds of deposits accepted.

Rates of Interest.

Current Deposits	...	1%
Savings Deposits	...	2%

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

Fixed Deposits for

Six Months	...	4%
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President:

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

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

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

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

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

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



Sri R. Kanakasabai, M.P., has been unanimously elected President of the Tamil Nadu Co-operative Union at its meeting on 6th July 58. He is the President of the Madras State Co-operative Bank, South Arcot Dt. Co-op. Central Bank and a member of many other Co-operative Institutions. He is a Member of Parliament and takes an active interest in co-operative and other public activities.

SPECIAL ARTICLES

Community Development and Agricultural Production*

By

SHRI V. T. KRISHNAMACHARI,
Deputy Chairman, Planning Commission

The Madras Co-op. House Construction Society, Ltd.

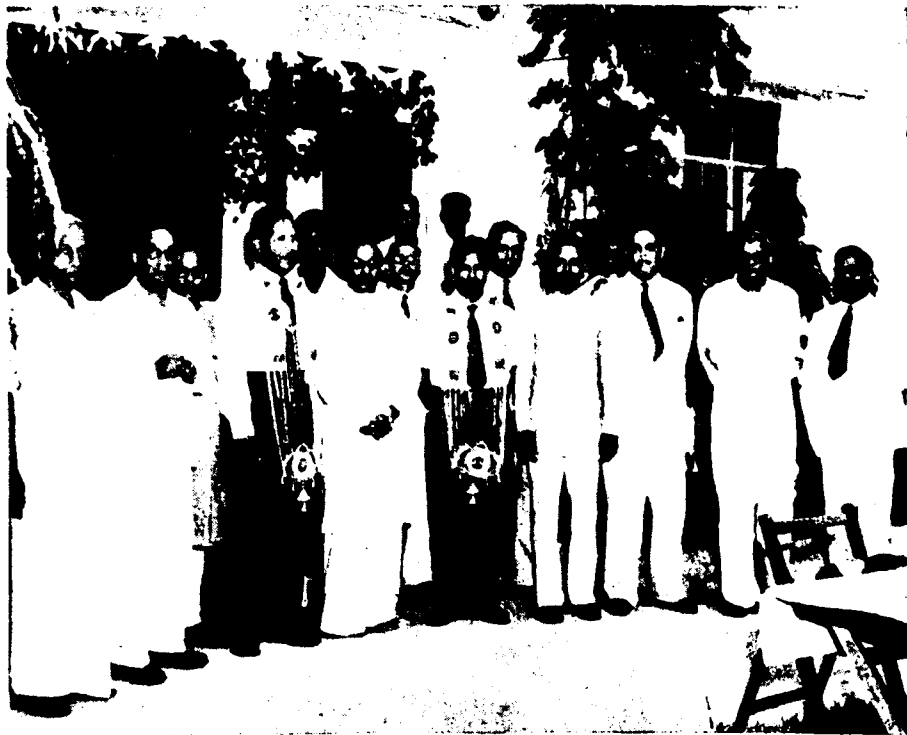


Photo taken on the occasion of the visit of Messrs. D. C. Granado and Kamaluddin Mohammed, Ministers of Trinidad to the Gandhinagar Colony of the Society on 31st July 1958.

I welcome you all to this Conference. It is always a pleasure to me to have an opportunity of meeting those who are working the community development movement and discussing with them questions relating to it.

2. Today, I propose to deal with a problem which is crucial to the success of all our Plans—viz., increased agricultural production. It is my intention specially to indicate what the programme of agricultural production which the Planning Commission has placed before the country mean in terms of the efforts to be made by the sixty million families in the villages of India. I need not remind you that the function of the community development movement—which is the normal State machinery—is to assist these families in putting forward their efforts through village institutions organised on the basis of self-help and co-operation.

I

3. The fundamental objective of the programmes for increased agricultural production embodied in the Plans is to raise substantially the level of rural life by the most efficient use of land resources, the application of modern scientific research and the evolution of a diversified economy. In other words, the aim is to enable the rural families to share fully in the increase in standards of living which accrue under the successive

Five Year Plans. I deprecate the distinction that is sometimes drawn between agricultural and industrial interests and the impression created of a measure of conflict between them. As the Fiscal Commission has emphasised "rationalisation of agriculture and industrial advance are in reality parts of a single programme". The Commission adds:—

"As has been well said in regard to backward economies—'one might consider industrialisation as one chapter of agrarian reconstruction or one might treat the improvements of agrarian production as one chapter of industrialisation. What matters is to remember that the two are interconnected parts of one problem'. Improved agriculture benefits industries by increased production and higher quality of raw materials. Industrialisation in turn promotes agricultural development and efficiency by providing it with power, better technique and improved marketing, transport and other services.' It should also be added that the combined effect is to create an internal market for goods and services which will give added impetus to agricultural and industrial production."

In other words, we aim at a balanced development from which all sections of the community benefit.

4. Improvement of agricultural production has thus to be viewed as a permanent process. There is

Source: Shri V. T. Krishnamachari's Address at Mount Abu Conference, May, 1958.

practically no limit to the possibilities of improvement. I quote what the report of the World Bank has said on this:—

“Proper application of known techniques, in conjunction with the possible expansion of irrigation and the cultivated area, could increase India's agricultural output four or five-fold. By the time that has been achieved, new techniques will have been evolved and the way will be open for further progress. Results of the crop competitions organised for the Grow More Food campaign show yields about seven times higher than the local average. India's yields are at present among the lowest in the world; with the labour force available they could be among the highest. There is thus a great deal of scope for progress that is technically easy but is retarded by poverty and ignorance. As progress becomes technically more difficult, the rate will be maintained by the increasing power of educational forces that will develop more slowly”.

The Five Year Plans set goals and targets, supported by steadily increasing developmental finances, which would fit into this wider programme. But recognising the fact that agricultural improvement is a continuous process, we should, in this and coming years, establish a well-knit organisation in the village and at higher levels by which every family will be assisted, through its own efforts, to attain much higher standards of living than it now possesses, by adopting the latest scientific techniques and fully sharing in the community obligations which have grown up over many decades.

II

5. I should like to recall to you the discussions that took place

between the Ministries of Agriculture and Community Development and the Planning Commission on the one side and the States on the other in September-October, 1956, in regard to targets of food production for the Second Five Year Plan. Many of you took part in these. The revised targets reached in these discussions are set out in a communique issued at the time. I have had this printed for ready reference as an annexure to this speech. In these discussions it was emphasised that only a programme which aimed at doubling agricultural production in the course of ten years “could meet the requirements of the national economy, bring about a substantial rise in agricultural income and reduce the gap between these and non-agricultural incomes”. At the same time, specific targets were fixed for the Second Plan period.

6. The specific measures agreed upon by which increased production is to be achieved are:—

(1) full use of irrigation facilities available;

(2) improved agricultural techniques: under these come—

(a) the production of nucleus seeds, their multiplication at village level and distribution to every family;

(b) the production in every village of organic and green manures needed for use by every family;

(c) adoption by every family of such improved methods as Japanese method of cultivation.

(3) adoption by every family of techniques of dry farming, contour-bunding, soil conservation, etc.

It was specially mentioned that, taking the areas with assured irrigation or rainfall, “during the next

3 to 5 years, in every State the effort will be to cover every acre with improved seed and, along with this, to ensure that every acre of land is supplied with fertilisers and organic manures and green manures. Programmes for improved seed, fertiliser and organic manures are indeed not separate programmes. Each of them has to be employed on every acre of land in the right proportion and the best cultivation techniques have to be adopted”.

7. On the administration side, the following decision was recorded:—

“The main emphasis in the discussions has been on devising means through the national extension service of reaching every village and every family and mobilising local resources and enthusiasm for increasing agricultural production and raising living standards. In opening new national extension service and community project blocks, preference will be given in the early years of the Plan to areas where rapid increase in agricultural production can be achieved. In national extension and community project areas and in the work of village level workers agricultural production will have the first and foremost priority. Definite targets are to be laid down for each group of villages in charge of an extension worker.

“In the course of discussions it has been stressed that in each village there should be a village panchayat and a multipurpose co-operative society which should see that every family has an integrated plan for the use of improved seeds, fertilisers and organic and green manures and is assisted with short-term credit, in money or kind, for carrying through its plan. It was realised that unless the benefits of the extension movement accrued to all sections of the

community within the shortest possible time its entire purpose would be defeated. The panchayats and the co-operative societies should see that the credit it used for the purpose for which it was given and the repayment and is made in time. In this way, every family should be made fit to be represented on the co-operative society in its own rights, that is to say, it should be made credit-worthy. These village institutions should be brought into existence as quickly as possible.”

8. I have quoted these passages to remind you of the long-term objective, of which the targets of the Second Five Year Plan constitute the first instalment. The Second Five Year Plan has placed before the country the goal of doubling *per capita* national income by 1976. If the gap between urban and rural incomes is not to widen appreciably, rural *per capita* income must at least double itself by 1976. This fits in with the doubling of agricultural production in ten years which was envisaged in the discussions of September-October, 1956. In what I am going to say, I attempt an approximate forecast of possible improvement programmes for agricultural production for a period of about 20 years and indicate, in a general way, how rural families should organise themselves and the activities they should undertake if these objectives are to be realised.

III

9. I now deal with full utilisation of irrigation facilities, taking first multipurpose, large and medium projects. I hope you will forgive me if I speak on these at some length as all of us should realise the revolutionary change that has taken place in our irrigation policy and programmes.

10. The book value, at the time of partition, of the irrigation works that fell to India's share was of the order of Rs. 110 crores. These irrigation works fall under two categories. The first are those providing secure irrigation, namely, areas under government canals and large tanks. The total area under these at the time of partition was 26.5 million acres—18 million acres under canals and 8½ million acres under tanks. In addition, there are smaller irrigation sources—tanks, private wells, etc.—irrigating 22 million acres. The aggregate irrigation under both heads was 48½ million acres. The book value of Rs. 110 crores related mainly to the first class of works irrigating about 26½ million acres. These works were constructed over a period of 7 or 8 decades. There were no ambitious programmes. Irrigation extended slowly. The technique adopted was well understood. The Government agency constructed the barrage or dam and the canal systems. The people were left to develop irrigation gradually through their own efforts by constructing field channels. The Government charged for irrigation when water was taken. It was assumed that there would always be an interval between the supply of irrigation facilities and full utilisation, which would range from 10 to 15 years.

11. With the First Five Year Plan, the Government's policy underwent a radical transformation. The objective laid down was to utilise, as rapidly as possible, the enormous water resources of the country, only a small fraction of which had been utilised in the past. After Independence and before the Plan, large irrigation works had been started in many States. In the First Five Year Plan, we included these

works. Only three new ones were added, later i.e., in 1952. The total cost of the multipurpose and irrigation works included in the First Plan was Rs. 860 crores. Of this, about Rs. 80 crores had been spent before the First Five Year Plan commenced. When completed, these works are expected to supply secure irrigation to 23 million acres. In the Second Plan, additional works estimated to cost Rs. 470 crores have been added which would supply secure irrigation to 15 million acres. To sum up, in the First and Second Five Year Plans we have multipurpose, large and medium irrigation works estimated to cost nearly Rs. 1,330 crores, and additional irrigation will be provided for 38 million acres (as compared with 26.5 million acres at the time of partition).

12. For many of the works included in the First Five Year Plan there were no proper project estimates, no revenue and agricultural surveys and no accurate financial estimates. These were got prepared in the early years of the Plan and financial and other aspects of every project worked out. Wherever possible, rephrasing of the programmes was effected in order to secure maximum results. It is obvious that for a very ambitious programme of irrigation such as is embodied in our Plans, the old techniques which I have described are totally unsuitable. We need a complete reorientation of outlook. In the First Five Year Plan period, Rs. 407 crores were spent on irrigation, and in the first two Plans nearly Rs. 788 crores would be spent. It is obvious that if utilisation is to proceed according to the old ideas—that is, it is left to the people entirely and is spread over 10 to 15 years—the nation will be losing Rs. 30 to 40

crores a year in interest alone and three to four times that amount in output. On this old basis no large programme of irrigation development would be at all possible. Such large outlays could not be contemplated unless works were planned so as to secure at every stage the maximum advantage possible in the shape of increased production. In other words, it is necessary to synchronise and coordinate the following four processes, reducing to the minimum any time-lag between them:—

(i) construction of the dam or barrage for storing water;

(ii) construction of the canal and distributary system by the Government agency ending at definite and convenient points in every village;

(iii) construction according to a time schedule fitting into item (ii) by the beneficiaries of field channels in every village so as to irrigate every acre that could be served by the project as soon as water is available in the canals; and

(iv) improvement of agricultural techniques so that by their adoption the maximum agricultural output can be secured.

13. The essence of irrigation planning is to ensure that all the four stages are inter-linked and carried out in such a way that there are maximum economic benefits at every stage. This is what is being attempted in the revised projects for the works already started. Whenever planning is done for new works, it is done on this basis. In the First Five Year Plan irrigation facilities were available for 8 million acres from major projects, that is, the canal system had been completed by the Government agency for this area. Only 4 million acres

were actually irrigated. This is largely because the field channels, which are the obligation of the villagers, were not completed though in some cases the canal systems had been badly designed and carried out.

In the Second Plan period 12 million acres, in addition to the arrears left over from the First Plan, that is nearly 16 million acres, should be utilised from multipurpose, large and medium irrigation works. It has been calculated that for every million acres the Government has to provide approximately on an average 2,500 miles of canals and the villagers should provide four times that length, namely, 10,000 miles of field channels. Thus for the full utilisation of irrigation supplies from major irrigation programmes in the Second Five Year Plan, in villages all over India, those who benefit from them have to provide field channels for about 160,000 miles. It must be added that it is not enough for the villagers to dig these field channels. They have to be maintained from year to year, and in fact, to be improved from time to time so as to avoid loss of water through seepage.

14. From what I have said, it will be seen that about 18 million acres included within the capacity of the works in the first and Second Five Year Plans will have to be developed in the Third Five Year Plan and later. It will be useful to have an idea of the scope for increased irrigation in the 15 years from 1960-61. As you will recall, we worked out a 15 to 20 year programme, in broad outline, for irrigation development. It has been estimated that possible limit for expansion of large and medium irrigation would be 40 to 45 million acres, in addition to the 37½ million acres

irrigable under the sources in the First and Second Five Year Plans and the pre-existing 26½ million acres. Irrigable area under such sources can thus be of the order of 105 to 110 million acres. By 1977 it may be expected that the area actually irrigated from multi-purpose, large and medium irrigation projects would be about 90 million acres. On the basis already indicated for utilisation of irrigation supplies likely to available, about 30 to 40 thousand miles of field channels will have to be constructed every year for the next 20 years in villages in different parts of the country.

15. I have so far dealt with multipurpose, large and medium

	First Five-Year Plan	Second Five-Year Plan
Number included ...	5015	3581
Number completed		
(with electrical energy, etc.) ...	3524	1212 (upto Jan. 58)
Area irrigable	(i) Target 1.5 million acres. (ii) Achievement 1.0 million acres.	(i) Target 1.0 million acres. (ii) Achievement 0.36 million acres.
Area actually irrigated ...	0.8 million acres.	Not available.

The delay in using irrigation facilities provided by tube-wells is due, in most cases, to field channels not being constructed in villages. Here again, the urgent need is to set up village panchayats and co-operatives which would undertake the obligation to construct these and maintain them satisfactorily. Similarly in the case of many minor irrigation tanks, supplies are not used owing to delays in canal construction and silt clearance which are the

irrigation projects. I shall now deal with minor irrigation works.

Here again, we have impressive programmes in our Five Year Plans. The First Five Year Plan had an allotment of Rs. 100 crores for such works. Information in regard to these is not as definite as one would like but what we have in the reports can be summarised. The target for irrigation was 11.2 million acres. It is estimated that actually 10 million acres were irrigated. There are allocations amounting to Rs. 120 crores in the Second Five Year Plan with a target for irrigation of 9 million acres. Tube-wells are included among these works. Information in regard to tube-wells is furnished in the following table:—

	First Five-Year Plan	Second Five-Year Plan
Number included ...	5015	3581
Number completed		
(with electrical energy, etc.) ...	3524	1212 (upto Jan. 58)
Area irrigable	(i) Target 1.5 million acres. (ii) Achievement 1.0 million acres.	(i) Target 1.0 million acres. (ii) Achievement 0.36 million acres.
Area actually irrigated ...	0.8 million acres.	Not available.

customary responsibility of villagers. It is estimated that about 90 to 100 million acres can be served by minor irrigation works in the aggregate and that this should be achieved at the latest by 1976.

IV

16. From what I have said above, a rough estimate of the area under actual irrigation by 1976 would be:—

From multi-purpose, large and medium projects.

About 90 million acres (out of an irrigable area of 100 to 110 million acres).

From minor irrigation works including tanks, wells, etc. (including tubewells).

90 to 100 million acres.

V

17. I shall now deal with the programmes for improved agricultural techniques.

There would thus be left a large area—roughly 140 to 150 million acres—in which increased yields can only be obtained through contour-bunding, soil conservation and other dry-farming techniques. For these, much remains to be done in India in the way of research, technical training and extension. In the Second Five Year Plan about Rs. 27 crores have been provided for schemes coming under these categories. Dr. Kellogg, in a recent report, has emphasised the primary requisite for success in such schemes in these words:—

“Individual village and farm planning by the cultivators is the most important aspect of soil cultivation. The cultivator must take all aspects of production into account and so should all the technicians who assist him in developing a plan for his operations.

“It is strongly recommended that every effort be taken to develop local leadership and responsibility for soil and water conservation within the villages and larger units of local Government”.

In the Bombay State such programmes are proving extremely useful. They are being carried out by the villagers themselves with the help of the Government. It is only in this way that programmes covering about 140 to 150 million acres would be possible. In such areas, the villagers will have to construct many thousands of miles of contour bunds and maintain them from year to year.

First among these is the supply of approved seeds. The Second Five Year Plan provides for 4,185 nucleus seed farms. In these the Government agency will produce improved seeds which will be multiplied through registered growers. As a part of this programme every village will have to arrange for producing the improved seeds it requires. Out of the 4,185 seed farms, 978 have been opened in the first and second years of the Plan and in 1958–59, 1,560 are to be opened. Liberal assistance is given to this programme by the Central Government. The process of multiplying nucleus seeds has not started yet on any appreciable scale. It is hoped, however, that by the end of the Second Five Year Plan, the nucleus seed produced in at least 50 per cent of the seed farms would have passed through registered growers and become available in villages for multiplication and distribution to the entire area that can use it.

It is also a part of this programme that every village should produce the compost and green manure needed for its own use. Training and other programmes for this have been started and are making headway.

The Japanese method of cultivation is expected to be practised in 7 to 8 million acres in the Second

Five Year Plan period. There are improved techniques for wheat and other crops and also programmes for cotton and jute: horticulture, fisheries etc., for which funds are allocated.

These programmes are inter-linked. Every acre of irrigated land or land with assured rainfall should use approved seeds and fertilisers and organic and green manures in the right proportion and also employ the best methods of cultivation. The land should be put to the best use according to the latest scientific techniques. And the supply of protective foods should be increased and programmes relating to animal husbandry, fisheries, etc., expanded.

18. For programmes of rural development I have described, the First Five Year Plan allocated on an average Rs. 170 crores a year (as against about one-fifth of this in the years before Independence). The annual allocations in the Second Five Year Plan are of the order of Rs. 225 crores a year. These figures exclude short, medium and long-term loans extended to agriculturists through co-operatives and in the form of takavi. There can be no doubt that larger allocations will be made in future Plans for rural development.

VI

19. I shall now, by way of summing up, bring out the magnitude of the long-term rural development programme in terms of what has to be done by the sixty million families in rural India, organised in small village communities. In every village, a village panchayat and a village multipurpose co-operative should accept responsibility for the programmes. The village panchayat should have the taxing and regulatory functions conferred on it by law.

For example, it should have formally power conferred on it for enforcing customary obligations. But, all programmes should be carried out through the co-operative in which every family would be represented. The implementation should be by common consent, all members joining on the process of reaching decisions and giving effect to them:

(i) *Multipurpose, large and medium projects.*—Construction of the field channels needed to utilise the irrigation available and their maintenance in an efficient condition from day-to-day. In construction alone, there will be over 30 to 40 thousand miles every year for 20 years, over a large part of the country.

(ii) *Minor irrigation works including tube-wells.*—The responsibility for maintaining these works and for excavating and maintaining field channels is the responsibility of the village.

(iii) *Contour-bunding, soil conservation and other programmes for dry farming in the dry areas and construction and maintenance of bunds.* The magnitude of the problem has been indicated.

(iv) *Scientific agriculture:*

(a) Producing as a permanent arrangement in the village all the seeds and organic and green manure needed; arranging for the supply of these in kind to those who cannot pay for these in advance, recovering after harvest.

(b) arranging for the distribution of fertilisers received for the village and their supply to the smaller holders on credit in the first instance.

(c) Promoting the use of Japanese method of cultivation in all areas suitable for it and other advanced techniques for wheat

and other crops which are suggested by the technical departments, and in other ways, work for a diversified agricultural economy.

(d) Development of animal husbandry programmes: dairy produce, fisheries, etc.

(v) *Programmes for supplementary occupation.*—Cottage and small-scale industries, etc.

(vi) *Consolidation of holdings.* A programme of consolidation of holdings is essential especially in areas which are irrigated or have assured rainfall for the effective implementation of the groups of programmes which I have indicated above.

(vii) *Works for the benefit of the community.*—Every family should devote a portion of its time to building up permanent assets of value to the community.

(viii) Women and the youth in the village should play their full part in these activities. The centre for these should be the village school.

In every village the panchayat and co-operative should have a five year programme for the village (made up of family programmes) under these heads for which the entire village would be prepared to work. These should be fitted into the district or block programmes and through these into the State programmes. Every family would thus have a plan of improvement for which it would put forward its best efforts.

I spoke at great length in my Mussoorie speech on the role of the co-operative movement in our Five Year Plans, both on the side of increased production and of increased rural savings. I do not wish to repeat those remarks here. I hope that the resolutions passed at that Conference in regard to the co-operative movement will be

fully implemented and also that the targets for savings indicated in paragraph 28 of that speech will be reached.

20. There is an important field in which the community development agency—through village co-operatives—has a crucial role. Land reforms and community development are inter-linked. They are both agencies for bringing about social change and cannot be worked in isolation. I have often said that, in a village co-operative, the 30 to 40 per cent of the members that are 'credit-worthy' in a banking sense should accept responsibility for ensuring that the 60 to 70 per cent of the members who want loans in kind or money for use for creditworthy purposes obtain these, use them for such purposes and repay them punctually. It is equally essential that these members should make it their responsibility to see that the benefits of tenancy and other laws—fixity of tenure, fair rents etc.—actually accrue to those who are entitled to them. There is where a strong village opinion can be effective. I give as an example a suggestion that was made when the Madras tenancy laws reduced rents from 60 to 40 per cent of the produce. The suggestion was that rents should be actually scaled down to 40 per cent in all cases and that the tenants should deposit the difference of 20 per cent in the co-operative for a term of years so that these sums, with deposits of the more well-to-do members, might be available for loans at low rates of interest for improved agricultural techniques. There are other ways which may be found suitable under other conditions. The essential point is that the co-operative as a whole should work out schemes like these in a spirit of good will and mutual help.

21. The State has an important part to play in bringing about this village organisation and assisting it in its activities. I shall mention the more important steps that should be taken by the State.

Firstly, it should organise the many-sided developmental programmes described above. Their range and the financial allocations for them should increase steadily and special attention should be given to the less favoured regions.

Secondly, it should provide technical and advisory services to guide the villagers and promote common action by them. The scope of research should go on increasing to meet the new problems arising from wide application of scientific techniques.

Thirdly, it should provide the short, medium and long-term finance needed. One condition should, however, be enforced. Every village co-operative should be given a programme under which members' deposits would be built up to replace these credits. This is essential as the inculcation of thrift is the main aim of co-operation. There should be advisory services for building up unions and guiding village societies; also a corps of auditors. Assistance should not, however, be pushed to such limits that "co-operation ceases to be a spontaneous outgrowth of a community of interest or of a desire for independence." Under such circumstances, "Government assistance and the promise and expectation of further assistance under-mine the self-reliance of the co-operators." Nothing should be done to relax the moral fibre of the movement.

Fourthly, in all areas there should be organised a wide variety of training courses—for agricultu-

rists in improved techniques like compost making, green manures, etc.; for members of panchayats and co-operatives; for school teachers and intelligent young men in villages to work as panchayat and co-operative secretaries. There should also be refresher courses for village level workers, block level officers and officers at higher levels. Provision should also be made for short-term courses for non-official leaders who are anxious to assist in rural programmes and especially co-operation. All these training courses should be permanent and broad-based and be available for as many as possible.

22. We should not underestimate the difficulties involved in this process of bringing about social change—creating a change of outlook and desire for new knowledge and ways of life—among the 300 million people in rural India. I feel, however, that there is no need for defeatism. There are indications which afford grounds for believing that this social change can be brought about on the scale we desire and that leadership will emerge in the villages and at district and state levels to direct the movement. Let me mention some of these.

Firstly, the working of the community development movement over nearly half the villages in the country has already shown that revolutionary changes are taking place in villages and that there is everywhere a desire and determination to achieve better standards.

Secondly, in every region there are numbers of cultivators who have shown in crop competitions that they can produce yield per acre which compare favourably with the highest yields in other parts of the world. It is common experience that in villages round

every Government farm, enterprising agriculturists make sustained attempts to exceed the record output in the farms. These should become the natural leaders in all attempts at spreading improved agricultural techniques.

Thirdly, there are the results achieved in the field of co-operation. At the end of 1955-56, there were about 1,60,000 village societies with nearly 7.8 million members. Of these societies, about two-thirds worked at a profit. Only about one-third of them did not. This is a remarkable record achieved by non-official workers at all levels in spite of the depressing conditions of a subsistence agricultural economy. Experience all over the world is that the universal adoption of scientific agriculture is an essential condition for the success of the co-operative movement; and with the large developmental expenditures that are bound to be incurred in coming years, it will be possible for these small communities to develop a genuine peoples' co-operative movement full of vitality. There are no limits to what an awakened nation can achieve by its own efforts.

23. These village institutions will have to be linked with similar institutions at higher levels. The formation of panchayats at district, taluk or block levels for developmental functions is now under examination in States. As regards village co-operatives, they should be federated into unions and through them to central banks on one side and marketing, processing and other societies on the other. I quote on this, a passage from a book by Dr. Fauquet who was till recently Chief of the Co-operation Service of the I.L.O. He says:

"Co-operation's special task of which it alone is capable, is first to gather the innumerable

little units of household economy and of peasant and handicraft economy and to group them into first-degree societies based on the ties of neighbourhood and similarity of needs. Next, it has to group the first degree societies in federative organs of the second and third degrees for the satisfaction of their common needs. After that, the problem will be to link the co-operative economy in its highest branches to the organs of the centralised economy which have developed in the opposite direction.

"It will therefore be in vain if the State is tempted to extend its measures of restraint to the innumerable elementary cells of social life. The experiments multiplying before our eyes show that no sooner does the State undertake the organisation of the economy than it has to recognise itself the limitations of its own power and competence."

The support of the best non-official leadership should be enlisted at all stages, the official agency giving them the best assistance possible.

VII

24. I am glad that, along with the rephrasing of community development programmes recently accepted, the highest priority is now given to the establishment of village panchayats and village co-operatives and the intention is to bring them into existence in all areas within two or three years. The basic idea of a village community is one which has proved its strength and vitality through centuries in our history viz., that of a community with ties of neighbourhood, common needs and identity of interest and in which there is a sense of intimacy—something of a larger family. We now seek to reorganise this village life to meet adequately

the demands of scientific agriculture with the changed outlooks and attitudes that this implies. To put it concretely, all families, united in the village institutions, have to undertake through self-help and in co-operation with their neighbours the responsibility of carrying out the programmes I have described to you at some length for realising the long-term objective for improving standards of life which has been placed before the country. The movement should be judged in terms of human values; its aims is to make men, and women "with a sense of both individual and joint responsibility so that they may rise individually to a full personal life and collectively to a full social life." It is in this way that rural life can achieve social and

moral cohesion which is the only basis for national unity.

25. I must now conclude my remarks. In what I have said, I have attempted to set out briefly the permanent institutions that should be set up in villages in the next two or three years for carrying out long-term objectives of our Plans and the activities that they should undertake. I hope State Governments will study the issues I have raised, arrange for the widest possible discussion of them and formulate programmes for early action. The situation in the country as brought out in the Planning Commission's appraisal of the prospects of the Second Five Year Plan calls for a much greater sense of urgency than now exists.

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

By

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

At the invitation of the Israel Government, the Government of India, Ministry of Food and Agriculture, sent a delegation to Israel to study the system of co-operative and collective farming among the Jews in that country. The delegation submitted its report to the Government in November, 1953. It suggested that co-operative farming should be started as an experiment in India in the Community Project areas. They commended the MOSHAV OVDIUM TYPE of co-operative farms prevalent in Israel for adoption in India for farmers having small holdings.

Progress of Co-operative Farming in India

Realising the potentialities of co-operative farming for increasing production and for ameliorating the economic conditions of the peasantry, the Plan recommended that small and middle class owners, in particular, should be encouraged and assisted to group themselves voluntarily into co-operative farming Societies which should receive special facilities from State Governments. It was further recommended that blocks of newly reclaimed land as well as cultivable waste land should be set apart, whenever

possible for the settlement on co-operative lines of groups of landless agricultural workers and of holders of small uneconomic plots. Beyond a few isolated experiments, the organisation of co-operative farming on a systematic basis, has, however, not been taken up by any State except Bombay, Uttar Pradesh and the Punjab. "About a thousand co-operative farming societies have been registered. Punjab, Bombay and Uttar Pradesh account for nearly 70 per cent of them. It has been noticed that quite a number of these societies were formed with a desire to evade land reform measures undertaken in various States. A few farming societies have been successful. But many of them have experienced practical difficulties for which they have not always been able to secure the necessary guidance. A small provision of Rs. 50 lakhs was made for promoting co-operative farming in the First Plan and even that was not fully utilised¹.

Bombay:—In the year 1949, a comprehensive scheme for the formation of co-operative farming societies, was drawn by the Government of Bombay. "There were on 1st April, 1954, 256 co-operative farming societies covering an area of 76,817 acres

¹Report of the Indian Delegation to China on Agrarian Co-operatives Page 124-125.

of land and having a membership of 8714. Loans and subsidies to the extent of Rs. 8.3 lakhs and Rs. 6.75 lakhs have been given to the societies for various purposes"².

Uttar Pradesh:—In Uttar Pradesh, Co-operative farming was started in 1947-48 when two experimental farms were set up in the Jhansi district. Subsequently such farms were started in other parts of the State and especially in the Tarai and the Khadar region for utilising the reclaimed land. "The total number of societies at the end of 1952-53 was 88 in addition to 125 better farming societies organised under the land colonization scheme. Statistics collected for 64 of these societies show that the total membership at the end of 1953, had increased to 2,089 as compared to 1,531 during the previous year. The total area under co-operative farms increased to 32,406 acres as against 19,285 acres in 1952. The share capital of these societies also increased appreciably rising to Rs. 9.81 lakhs as against Rs. 5.0 lakhs during the previous year"³.

Punjab:—In the Punjab, there were 40 co-operative farming societies in 1951-52 out of which 15 were joint farming societies and 25 were collective farming societies. The joint farming societies had a membership of 231 and a working capital of Rs. 3.73 lakhs and they covered an area of 4,922 acres. The collective farming societies had a membership of 383 and a working capital of Rs. 6.36 lakhs and covered an area of 3,648 acres.

²Five Year Plan Progress Report for 1953-54 (September, 1954)—Page 117-118.

³Five Year Plan Progress Report for 1953-54 (September 1954)—Page 118.

⁴Problems in Indian Economics—P.C. Jain Page 183.

Both the Joint and Collective Farming Societies taken together, cover only a small proportion of land in the Punjab, but collective farming, whatever its extent has proved more successful in the Punjab than in the other States. The co-operative farming societies in the Punjab, have spent large sums of money on purchasing modern machinery such as tractors, pumping sets, water pump etc., and are taking more and more to mechanised operations. In 1951-52 they spent Rs. 1.26 lakhs on improved machinery and Rs. 34,326 on good seed with the result that 7,761 out of the 8,750 acres covered by those societies are under better cultivation"⁴.

Scope for Co-operative Farming in India

A survey of the existing land tenure systems of all the countries of the world will clearly reveal that peasant proprietorship is an accepted ideal in almost all the countries except Great Britain and Soviet Russia. While England stands out as a country of large-scale capitalist farming, Russia has resorted to socialisation of land and collectivisation of farms. Large-scale farming in Great Britain is a product of economic forces during the industrial revolution of the 18th and 19th centuries. The emergence of capitalist farming was due to the pioneering effort of an enlightened class of landlords like Jetho Tull, Arthur Young and Turnip Townsend to organise British Agriculture. India is yet to produce an Arthur Young, a Jetho Tull or a Turnip Townsend. The concept of collective

farming is completely ruled out for all practical purposes in a country like India, since it is based on the suppression of the individual rights. It is also contrary to the genius and tradition of our country and it will only result in a violent disturbance and upsetting of the rural economy.

In a democratic country like India, the only alternative to collective farming is the system of co-operative farming. In recent years, the Bhodan movement of Acharya Vinoba Bhave, has given a new fillip to co-operative farming. The Indian peasant's traditional objection to association and his hard dying superstitions, his thirst for land and his acquisitive instinct necessitate a cautious approach to the problem.

The question is often asked whether co-operative farming in the sense of pooling and working the land in large blocks, is at all possible or even suitable under existing conditions, except to a limited extent on lands newly brought under the plough. It is also stated that the advantages of large-scale farming by power machinery over those of the small farm, have not been conclusively established and that in a densely populated country like India, the evolution of agriculture should be more on the lines of intensive farming of the kind obtaining in China, Japan, Soviet Russia and the U.S.A. Even in Soviet Russia, with all the incentives given for work on the collective farms, the garden plots attached to each household and worked independently by each peasant have generally shown better results in yield. Therefore, the creation of family sized holdings with the farmers free to cultivate their holdings independently but agreeing to make their purchases and their sales jointly, has been

held up a desirable objective of land reform in India. This is a peasant proprietorship system on a co-operative basis. Under this system the peasant works ungrudgingly and unsparingly. Social and political advantages, too, are claimed for this system. It produces hard working, self-respecting and law-abiding citizens. They are looked upon the backbone of the society and at the time of emergencies like war, are the most fertile recruiting grounds. Having a stake in the country, they make for social and political stability.

But this system is not without defects. The agricultural holdings generally tend to become hopelessly uneconomic due to sub-division and fragmentation. As these notoriously small holdings are put into intensive cultivation, the fertility of the soil become soon exhausted. The small holding does not provide a full scope (i) for the organising ability of an enterprising peasant, (ii) for scientific rotation of crops and for the use of modern machinery, known to the farming world. The peasant suffers from inadequate capital for carrying out necessary improvements in the land and for introducing new methods in agriculture. As a matter of fact, the dead weight of debt presses him down. But these defects could be rectified by bringing all the small scale farmers under the aegis of the co-operative organisation. The peasant proprietorship system, based on co-operation has a good deal to commend itself, especially in view of the difficulties that have to be faced in organising joint or collective farming. But this does not rule out the case for joint farming, which, it is considered, offers a solution for avoiding the deficiencies arising from uneconomic holdings due to maladministration of lands; The Five Year Plan

rejecting nationalisation of land as an impracticable course, agrees that the main solution to the problem of Indian Agriculture lies in the direction of co-operative cultivation.

Future of Co-operative Farming; In the successful organisation of co-operative farming societies, may be found a solution for overcoming the evil effects of small and scattered holdings and for enabling small peasants to obtain the benefits of large-scale farming. To the question which type of co-operative farming, viz., co-operative better farming, co-operative joint farming, co-operative tenant farming and co-operative collective farming—is better, we can give no conclusive answer. The exact choice of the type of co-operative farming obviously will have to depend on the environment, social habits of the people and conditions for farming in the respective areas.⁵

In the case of lands that are to be brought under cultivation by the process of reclamation, co-operative farming could easily be attempted. In respect of new lands, the preliminary clearance of land, levelling and stripping, construction of communications, drainage and irrigation works, provision of domestic water, supply and building of farm houses, will have to be done by the Government.

The socio-economic measures proposed to be undertaken, or undertaken already by several

states, such as complete abolition of land-lordism and introduction of tenancy legislation, offer good scope for developing co-operative farming in some way. With the introduction of various measures of land reform which are in varying stages of progress in various States in India, the tenants have achieved a new status but this status of the tenants, though important from a social point of view, will hardly bring any economic benefit to them. Unless they become members of joint farming societies, so that technical equipment, machinery, dwelling and other buildings that belong to the estates affected by the progressive measures of land reforms, could be effected co-operatively. With the abolition of the land-lordism and resettlement of actual farmers in the lands acquired from the landlords, such subsidiary measures as adopted by foreign countries in general or notably by Hungary⁶ in particular, will have to be adopted, if full benefits are to be derived from the reforms. Of course, there may be difficulties in imposing conditions, where peasants have already occupancy rights. Therefore, measures under such circumstances, will have to be introduced by other means viz., steps to consolidate holdings. This particular aspect of the subject now takes us to the study of joint farming and ryotwari areas.

⁵“Different forms of co-operative farming should be allowed to be developed in India in accordance with local circumstances”. Mr. Shriman. Narayan, General Secretary of the Congress. The Hindu, 2nd September 57.

⁶Cf. “In Hungary for instance, it was realised that a mere change in the distribution of land by itself did not produce any agrarian reform but might on the other hand, seriously disturb agricultural production. By 1945 when land reforms of far-reaching character were introduced, as a result of which 19,1400 hectares of land were distributed among 6,42,000 agricultural workers. By an Ordinance in the same year, the Co-operative Societies were organised with a view to serve the economic, social and cultural interests of their members. This Ordinance resulted in the organisation of a large number of joint farming co-operatives. Co-operative Farming-Reserve Bank of India Publication—page 22.

CASE STUDY

The Chandrasekarapuram Co-operative Stores, Ltd. —A Review for 1957-58.

[This is an era of planning. The Chandrasekarapuram Co-operative Stores, has made an attempt to plan the growth of the society in a phased manner. We are glad to publish the present review of progress.—Edr.]

“Consumer Co-operation is the only form of voluntary group action that ties together and integrates all other types of mutual self-help in both the producer and consumer field and lays the economic basis for a complete democratic social philosophy. It is the final step that puts the common people of the world in the economic saddle and makes them masters of their own destiny. All other types of Co-operation train the people and prepare them for this last great effort. Without success in the field of Consumer goods, economic democracy can only be partially achieved.”

DR. M. M. COADY.

The Era of Planned Development

“We are growing”—That is the feeling with which we present the fourteenth report of the working of the Chandrasekarapuram Co-operative Stores Ltd. We are glad that our efforts to work this consumer organisation in a rural community have already attracted the attention of Co-operators, not only in our country but in all parts of the world. Recently a reviewer commenting on the Monograph “CHANDRASEKARAPURAM CO-OPERATIVE STORES LTD.—A GREAT EXPERIMENT”, written by Sri C. M. Janarthanam wrote in the “REVIEW OF INTERNATIONAL CO-OPERATION” in glowing terms as follows:—

“Chandrasekarapuram’s successful example, through co-opera-

tion, of an economic democracy, does not happen often. That it has happened, however, justifies the optimistic and quite often a lyrical account of a Co-operative experiment that has brought happiness, security and honest trading to Indian rural dwellers, and sets a pattern to be followed elsewhere”.

This institution has a refreshing vitality and dynamism and has the much needed initiative to experiment with new ideas. In order to carry out active experiments in social welfare and to integrate welfare ideas, the Chandrasekarapuram Co-operative Stores has hit upon a happy idea of developing its activities according to a planned programme, The Society has drafted a “Five Year Plan of Development”. The plan envisages the expansion in business to the order of Rs. 30 lakhs per year, to provide full fledged consumer services like tailoring, coffee grinding etc., and to promote labour welfare services, marketing and processing service and in general to make the society a more effective instrument of rural progress. The Five Year Plan was inaugurated by Shri R. Venkataraman, Minister for Industries, Labour and Co-operation on the 27th February 1958. Shri K. Kamaraj, Chief Minister of Madras, who presided over, on the occasion blessed the stores and complimented the Secretary, and the Board on their excellent work.

The year 1957-58 witnessed the same trends of significant progress

and one striking feature of this year's work is that we planned our targets on a phased programme and realised them according to the schedule. The demonstrates not only the enthusiasm of our members, board and the staff but also the high degree of efficiency of our organisation. During this year the turnover has overreached the target of Rs. 16 lakhs, the membership, too, has increased appreciably from 1073 to 1391 and share capital from Rs. 29,855 to Rs. 37,970.

The striking achievements of the stores are due in large measure to the willing co-operation and loyal support of the people of Papanasam, Kumbakonam and Nannilam taluks, to the relentless and persistent endeavours of the Managing Board and the staff, last but not the least the unstinted support and the willing guidance of the Central and State Governments.

We wish to place on record our deep debt of gratitude to Shri K. Kamaraj, Chief Minister of Madras, Shri M. Bhakthavatsalam, Minister for Home, Shri R. Venkataraman, Minister for Industries, Labour and Co-operation, Shri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras and Shri V. Karthikeyan, Secretary, Board of Revenue, (the then Collector of Tanjore) for the generous assistance and kind encouragement and support extended by them to the stores.

Our Achievements—Inauguration of Five Year Plan

The most outstanding event of the year was the colourful and purposeful Inauguration of the Five Year Plan of Development of the Stores on 27th February

1958 under the distinguished auspices of Shri K. Kamaraj, Chief Minister of Madras. Shri R. Venkataraman, inaugurated the Five Year Plan. Briefly put, the Five Year Plan sets out to expand membership from 1,200 to 4,200 increase share capital from Rs. 30,000 to Rs. 60,000 and increase the turnover from Rs. 12 lakhs to Rs. 30 lakhs. In order to achieve these targets, share capital will be doubled, deposits will be raised to Rs. 2.5 lakhs and working capital to Rs. 4 lakhs. To express in real terms, Kumbakonam branch will be expanded into a full fledged unit, Valangimannur branch will have a fine building, besides the head office at Chandrasekarapuram; six wardha ghanis will be installed besides new services like marketing, processing like coffee grinding, home delivery and tailoring, utensils and carpet supply; Insurance Agency, Small Savings Scheme agency would be started; further business in handloom cloth, Cement, Iron and Steel and Fertilisers would be appreciably expanded. Last but not the least, staff welfare services would be augmented by Provident Fund Scheme, Insurance benefits and Housing Scheme and Canteen services. The stores would make arrangements to give Co-operative training to its employees.

Expansion in Handloom Sector

The stores has been making vigorous efforts to promote handloom sales. Unfortunately, the special enhanced handloom rebate of 12 nP. was not extended to the stores. We are at present allowing the additional rebate in anticipation of sanction and are making effective representations to the Government of India, Commerce Ministry. Our sales has exceeded the target of Rs. 3.75

lakhs for 1957-58 set in the Five Year Plan. We have addressed the authorities for the sanction of one Publicity Van. Our objective is to reach a target of Rs. 5 lakhs by 1961-62.

Cement Distribution

The stores continued to be the authorised agent of the State Trading Corporation for distribution of Cement. Nearly Rs. 1 lakh worth of cement was sold during the year. The agriculturists benefited very much by this service.

Fertiliser Distribution

The demand for Chemical Fertilisers is increasing year after year. The stores has distributed 858 Tons of Fertilisers supplied by the Government and Messrs Parry & Co. to the agriculturists of Papanasam and Kumbakonam taluks through its depots in 13 centres. The sales have increased from Rs. 1.21 lakhs in 1956-57 to Rs. 3.46 lakhs in 1957-58.

Coffee Seeds Allotment

Thanks to the Registrar of Co-operative Societies, the stores has just been favoured with a quota of 5 tons of coffee seeds per month direct from the Coffee Board. We are taking steps to get quality coffee seeds and also instal coffee grinding and roasting equipment. Our members will be provided with excellent coffee powder at competitive rates.

Gingelly Oil

The stores has already installed two Wardha Ghanis. There is a very grant demand for the oil processed. We are happy to state that two more ghanis have been received and will be installed immediately.

Import Licenses

The stores was the recipient of Import licenses for importing select items of dry goods from soft currency areas. This enabled to stores to sell consumer goods like Watches, Time-pieces, Horlicks, Blades, Toilets, Pensils, etc. at competitive prices. We are representing to the Government of India to give us a license to import Betel Nuts in order to start the supply of quality "Seeval" which is in great demand in our district.

New Services

A canteen, carpet and utensil supply, home delivery service and tailoring are some of the new services which will be implemented in the year 1958-59.

Iron and Steel

The stores has applied to the Government of India to appoint stores as a stockists in Iron and Steel in Kumbakonam town. Orders are awaited shortly.

Insurance & Small Savings Scheme Agencies

The stores will start a new service in the form of an agency to the Life Insurance Corporation and popularise the Janata Policies. The stores has taken out an Agency for Small Savings Scheme and has collected a sum of Rs. 0.63 lakhs during the year. It will mobilise rural savings and augment the efforts of the State.

Conclusion

The stores is growing; its business is expanding to new fields; its progress is planned. We hope to increase its utility and serviceableness to the members and the public more and ever more.

Facts-Then, Now & Hereafter				
	1956-57	1957-58		1961-62
	Actual	Estimate	Actual	Estimate
Members	...	1,073	1,250	1,391
		Rs.	Rs.	Rs.
Share Capital	...	29,855	32,500	37,970
Reserve Fund	...	61,000	72,000	80,000
Building Fund	...	7,200	...	18,000
Deposits*	...	90,000	1,40,000	1,33,000
Working Capital	...	1,93,000	2,50,000	2,50,000
Turnover	...	11,85,000	16,00,000	17,29,000
		Rs.	Rs.	Rs.
	In lakhs	In lakhs 1957-58		In lakhs
	1956-57	Estimate	Actual	Estimate
Provisions	...	4.32	5.00	4.90
Cloth-Handloom	...	3.49	3.75	4.13
Cloth-Mill	...	2.05	2.50	2.63
Consumer Goods	...	0.34	0.50	0.54
Fertilisers	...	1.21	3.00	3.46
Cycles & Accessories	...	0.24	0.60	0.61
Cement	...	0.15	0.65	0.98
Miscellaneous	...	0.05	...	0.05
Total	...	11.85	16.00	17.30
Gross Profit Rs.	...	90,500	1,05,000	1,24,672
Net Profit Rs.	...	28,900	35,000	43,028
No. of Employees	...	...	60	120

*The Stores is entirely financed from its deposits from members and not from any borrowing from District Co-operative Central Bank.

Growth of the Institution from Inception

Year	Members	Share Capital	Reserve Fund	Other Funds	Sales	Gross Profit	Net Profit	Dividend Rate.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	%
1944-45	137	3,445	345		15,455	907	691.4	
1945-46	377	6,130	2,483		1,25,117	7,659	4,275.4	
1946-47	438	9,120	5,515	116	2,00,517	12,542	5,884.4	
1947-48	473	11,045	10,367	864	3,10,048	20,046	9,478.4	
1948-49	504	13,185	14,764	1,306	4,11,902	26,289	8,794.4	
1949-50	588	17,630	18,977	5,186	5,49,157	30,154	6,498.4	
1950-51	779	22,985	21,471	4,676	9,24,644	46,979	9,978.6	
1951-52	898	25,885	22,322	6,151	9,32,577	47,787	3,083.6	
1952-53	1001	27,210	26,414	6,758	9,05,643	50,357	6,101.6	
1953-54	1012	27,440	27,286	6,733	7,73,648	46,080	3,487.6	
1954-55	1019	27,520	29,746	9,223	6,09,235	45,554	9,843.6	
1955-56	1039	29,005	36,500	12,000	8,09,156	61,555	17,982.6	
1956-57	1073	29,855	44,500	23,700	11,85,574	90,515	28,944.6	
1957-58	1391	37,970	*57,000	*40,900	17,30,000	*1,24,672	*43,028.6	

*Subject to Audit.

The Mettur Dam Fishermen Co-operative Marketing Society, Ltd.

BY

SRI A. P. JEGARAJ, B.A., (HONS.)

Co-operative Sub-Registrar (Fisheries) Madras.

[We have great pleasure in publishing the case-study reports of two Co-operative fishermen societies. They demonstrate what Co-operation can do to uplift the fisherfolk of Madras State—Edr.]

Origin, Starting and area of Operations of the Society:—The Mettur Dam Fishermen Co-operative Marketing Society was registered on 9-9-1956 and started on work on 7-10-1956. The area of operations of the society is confined to the two Taluks of Omalur and Dharmapuri in Salem District.

Membership and Share Capital: The Society was started with 19 members with a paid up share capital of Rs. 95. There are now 375 members with a paid up share capital of Rs. 2,045. Membership is open to any fisherman by profession or one connected with fishing. There is no restriction on account of caste, creed or colour. The applicant must be over 18 years of age and must be residing within the area of operations of the society. But no one can claim membership as a matter of right.

Members Thrift Deposit:—The habit of thrift among the mem-

bers is inculcated by making necessary provision in By-law 19-C. One anna is deducted for every rupee worth of catches sold by the member to the society. A sum of Rupees 1135.23 has been collected so far, from members on account of Thrift Deposit during the course of one month in which the provision of this By-law was enforced. Steps are again taken to enforce this By-law.

Other Borrowings:—Government long term loan of Rs. 22,900 payable in ten years, a medium term loan of Rs. 9,400 payable in 5 years and a share capital loan of Rs. 2,000 payable in 10 years have been advanced to the society so far. The society has fully repaid the share capital loan. A sum of Rs. 8,160 out of Long Term Loan and a sum of Rs. 600 out of medium term loan have also been repaid.

Reserve Fund:—A sum of Rs. 1,141-97 has been set apart as Reserve Fund.

Financial Particulars as on 30-6-1958

	Rs.	nP.
Cash on hand	...	6,493-71
Current account in Co-operative Urban Bank, Mettur Dam	...	2,018-24
Advance for Lambretta	...	300-00
Share in Salem Central Bank	...	100-00
Shares in Salem Co-operative Printing Press	...	20-00
Value of furniture	...	853-00
Revenue Deposit	...	400-00
As on 30-6-58, the Society has earned a net profit of	...	13,668-86

Funds Created out of Profit

	Rs.	nP.
Reserve Fund	...	1,141—97
Dividend	...	214—01
Common good fund	...	257—00

Business:—The members of the society obtain licences from Government on payment of Rs. 72 each and are privileged to fish in the Mettur Reservoir for a period of one year. Daily they go fishing at about 6 p.m. in their Coracles, operate their nets and return at about 9 p.m. They go again the next morning at about 4 a.m., collect the fish and bring them to the collecting Centre for weighing. There are five such centres i.e., Masilapalayam, Madayankuttai, Pannavadi, Keerakaranur and Koonandiyur covering an area of about 40 square miles. Two of the Departmental mechanised boats go to these centres for the collection of fish. In each of the boats one of the supervisors working under the society goes with a weighing machine, collects the fish and records in a Chittah the weight of fish collected from each member. He also acknowledges in the licence book of the members the weight of the fish collected from him. The boats return at about 11 a.m. to the harbour of Mettur Dam. The Departmental Van is kept ready at the Harbour. As soon as the boats arrive the fish is loaded in the Van by coolies. From there the fish is transported to the society premises in the Departmental Van. There the fish is again weighed and sold to the merchants who are readily waiting there. There is a panel of 4 merchants and fish is given to them according to the proportion previously agreed between the merchants and the society. The amount due is collected from them. The fish that is rejected

by the merchants, after having been certified as spoiled either by one of the Directors of the society or the Inspector of Fisheries (Marketing) is sold in auction on the spot and the amount collected. The fish is then cleaned by the merchants by removing its intestines etc., iced and booked by Rail to Madras, Tambaram, Bangalore, Ranipet, Trichur, Ernakulam etc., It is sent by bus to Salem and is also sold in the local market. After being re-iced at Madras the fish finds a market in distant places like Calcutta. The morning catches at Masilapalayam and Madankuttai, are delivered straight away to the merchants at these centres.

The members are paid at the rate of 20 nP. per lb. of fish and the selling rate to the merchants is 25 nP. for purchases below 1,500 lbs., and 23 nP. for purchases above 1,500 lbs. During 57-58, the society bought fish to the value of Rs. 1,14,096-26 nP. and sold to the value of Rs. 1,22,377-86 nP. (Credit) and Rs. 15,895-62 nP. (Cash).

Management:—The executive management of the affairs of the society vests in a Board of Directors consisting of 7 members 2 of whom are ex-Officio office-bearers. The President of the Society is the Assistant Director of Fisheries, Mettur Dam and the Secretary of the Society is the Assistant Inspector of Fisheries (Exploitation). Five of the Directors are actual fishermen and nominated by the Director of Fisheries, for a period of 3 years. The present President is Sri J. Solomon, B. A., Assistant

Director of Fisheries, Mettur Dam and Sri Alfred Meshak, the Assistant Inspector (Exploitation) is the secretary.

From 1-7-1957 to 30-6-1958, 16 meetings of the Board of Directors and 3 General Body meetings have been held.

Establishment:—The establishment of the society consists of one Clerk, 4 supervisors, and 5 Coolies. The Government have given to the society free of cost the services of a Senior Co-operative Inspector to work as its manager and one Junior Inspector of Co-operative Societies to assist him.

Government Aid:—Government have advanced long term loan to the extent of Rs. 34,300 up to now to the society to give in turn long term loans to its members for the purchase of coracles and for the discharge of prior debts. The services of the Assistant Director of Fisheries, Mettur Dam and the Asst. Inspector of Fisheries (Exploitation) are placed at the disposal of the society to work as its office bearers. A Senior Inspector of Co-operative Societies and a Junior Inspector of co-operative Societies are given to the society free of cost. Two mechanised boats belonging to the Fisheries Department help the Society in collecting fish. A fee of Rs. 10 per day per boat is charged whenever they are employed by the society within 40 miles and if they go beyond

the 40 miles an additional fee of Rs. 20 is charged. A van is also placed at the disposal of the society. A hire charge of 00-37nP. per mile with a minimum of Rs. 5 per day is charged whenever the Departmental Van is used. A free grant of Rs. 500 has been sanctioned to this society for the purchase of furniture etc.

Fishes Caught:—The Catla, Cirrhinamrigala, Cirrhpa cirrhosa, Macrones, Wallagonia, Silundia, Mastacembalus, Pangasius, habeo fimbriatus, Barlus dubius, Labeo calbasu are the usual varieties of fish caught in the Dam. The fishes caught in the Mettur Dam have a peculiar taste of their own and are noted for their size and weight. We get fishes among the wallagonia weighing as much as 50 lbs. and measuring 6 ft. in length. The Catla weight sometimes 25 lbs. and measures 2 ft. in length.

Development of Fish Culture

Fish is an important article of food containing an indispensable item of Vitamin. Moreover, it is one of the delicious side dishes in any square meal. It is but proper that attention is paid to increase the production of such an important article of food. It is said that each acre of water is capable of producing twice as much valuable food products as one acre of land. Fishing is a very ancient industry dating as far back as Jesus Christ himself.

“Long Live Fishing Industry”

A Note on the working of Neelangarai Fishermen Co-operative Society

(Contributed)

Neelangarai, a marine fishing village is situated just about 3 miles beyond Lattice Bridge near South Madras between Peria Neelangarai in the South and Palavakkam in the North with a population of nearly 1,000 men, women and children. They are all fishermen by community and their main occupation is fishing.

The Neelangarai fishermen possessed nearly 200 fishing crafts and sufficient number of nets and other accessories for catching fish. Comparing the population in the Kuppam, the crafts and tackles they possessed were not sufficient to enable them to get enough catches for their daily needs.

Hence for the uplift of the Fishermen of Neelangarai and the adjoining kuppams, and to stimulate more enthusiasm, unity and co-operation and to promote mutual help, a society was formed in the name of The Neelangarai Fishermen Co-operative Society on 16-3-51 and registered as No. 1545 with 210 members and with a paid up share capital of Rs. 1,050. The society commenced its work on 23-1-52. During the first General Body Meeting, one Chinna Madurai Chetty was elected as its President and one Kothandapani as its Secretary.

There was not much activity in the Society till 1956 excepting collection of shares.

On 7-4-'56 a new set of Panchayatdars were elected with Sri N. M. Kannan as President and Sri Pushpalingam as Secretary. The Society was stimulated into activity, yarn for making nets was purchased from the Madras Fishermen Co-operative Federation for Rs. 600 and sold to the members of the Society. On 25-2-'57 the Society was given a Pablo boat and nets on hire purchase system for deep

sea fishing and thus to increase their catches. Ill luck fell upon the Society. In May 1957, on account of cyclone the boat met with an accident in the sea. The nets were lost and the boats was damaged. The Society suffered loss the extent of Rs. 2,000. The boat was returned to the Fisheries Department. However, the enthusiasm of the Neelangarai Society which was the first Society in the Madras area to obtain and work a boat was not thwarted.

The energy and enthusiasm of the members of the Society was enlivened by the Fisheries Department in spite of the mishap that befell the Society. During 1957-1958 under the 2nd Five Year Plan scheme of advancing loans to Fishermen Co-operatives for marketing of fish, the Neelangarai Co-operative Society was advanced a long term loan of Rs. 12,000 repayable within 10 years. It distributed the loan to 40 of its members. The Society was also given an additional loan of Rs. 4,000 for the construction of a Fish-godown-cum-curing shed. The Society completed the construction of the godown and the opening ceremony of the godown took place on 8-6-58. The Honourable Minister for Fisheries, Srimathi Lourdammal Simon opened the godown under the Presidentship of the Honourable Home Minister Sri Bhakthavatsalam. This was the first godown to be opened by a Fishermen Co-operative Society in the State of Madras. The Fishermen celebrated the function with great eclat, sylambattam and vllupattu were some of the items that were given prominence in the course of the celebrations. Now the members are freed from the clutches of the money lenders and sell their catches to their best advantage.

Jai Hind.

CO-OPERATIVE CONFERENCES AND MEETINGS

Proceedings of the Opening Ceremony of the George Town Co-operative Bank Buildings on the 17th August 1958

On Sunday, the 17th August 1958, the whole of Krishnappa Naicken Agraham Street wore a festive and jubilant appearance and right to the north and south of the gaily decorated majestic Buildings of the George Town Co-operative Bank, a huge and imposing pandal was erected and an array of chairs, were arranged to accommodate nearly four thousand men and women, who have gathered with great enthusiasm to join in the gay and happy opening ceremony of their Bank Buildings.

At the Southern entrance to the street, the Registrar and other dignitaries and the Directors of the Bank assembled to give a warm reception to the Chief Minister, Sri K. Kamaraj. On his arrival, he was received by

Dr. P. Natesan, President of the Bank, the Directors of the Bank Sri A. Palaniappa Mudaliar Registrar of Co-operative Societies and others. A puja was performed at the Vinayakar temple. Then the distinguished visitors were taken in a procession to the dais, which was erected at a height of 3½ feet opposite to the Bank Buildings. One particular feature of the function was that there was a large gathering of women members. Major General S. C. Alagappan, Sri A. Hirudayaswamy Sri V. K. Appandarajan, Sri Mohammed Hazeez, Sri P. I. Subramania Pillai, Sri C. R. K. Chetty and others were present at the function.

The function began with prayer. Dr. P. Natesan, President of the Bank read the welcome address.

WELCOME ADDRESS

By

DR. P. NATESAN,

President, George Town Co-operative Bank, Ltd., Madras-1.

Mr. President, Hon'ble The Chief Minister, Registrar of Co-operative Societies, distinguished guests and friends:

On this memorable occasion in the history of this Co-operative Bank, on behalf of the members of this institution, I have the unprecedented pleasure of offering a cordial reception and a warm welcome to all those who have assembled here.

This is not the first occasion when a great festival is being celebrated in this institution; it was in 1949 when the Silver Jubilee of the Bank was celebrated

with pomp and grandeur under the Presidentship of Justice Rajagopalan, I. C. S., when the Minister for co-operation and Mr. J. C. Ryan, M.A., I.A.S. the then Registrar of Co-operative Societies participated in the function. Even then the Bank had made considerable progress from the time of its inception. The Share Capital had risen from Rs. 359 to 1½ lakhs, the membership from 17 to 1777 and the working capital to Rs. 16.17 lakhs.

When compared to the figures given above, the Bank has made very quick and effective progress during the last decade and we are proud to mention that on date the Share Capital is 5 lakhs of rupees, the membership is nearly 6200 and the working capital is about 75 lakhs of rupees with the following reserves :—

	Rs.
1 Reserve fund ...	1,60,000
2 Bad debt reserve ...	43,000
3 Dividend equalisation fund ...	12,000

In the State of Madras, according to the latest figures available, there are 149 Co-operative Urban Banks and in the whole of the Indian Union 1585 Banks and I may say without any hesitation that this institution stands foremost amongst all the Urban Banks in South India with no similar institution to come anywhere near it in the matter of rendering the necessary assistance to its members and non-members.

One particular feature of the institution, which is rendering the most useful service from the poorest to the well-to-do persons is the Monthly Savings and Loan Fund section of the Bank. Any member who contributes a monthly recurring subscription of one rupee for 84 months is entitled to a lump sum payment of Rs. 102-8-0 at the end of the period. More than 5000 members have joined this scheme and have been contributing each from Re. 1 to Rs. 250 every month and during the course of the seven years have accumulated unexpected sums from which they have the privilege of easily drawing 90% in times of emergency without having recourse to more difficult types of borrowing. The names of a number of credit societies have been recently converted into

“Credit and Thrift Societies” by the Registrar of Co-operative Societies and considerable emphasis has been periodically stressed on the importance of thrift and saving, but very often this aspect has been neglected by a majority of the members of the Co-operative Institutions. Besides the recurring deposit scheme, the Bank like any other Co-operative Urban Bank, has provided all the other facilities of deposits viz, Current, Savings and Fixed Deposits. While these four types of deposits along with the Share Capital, constitute the finances of the Bank, the members are given the benefit of availing the following types of loans (1) Jewel loans (2) Deposit loans (3) Surety loans and (4) Mortgage loans. I have said in the year 1954 on the occasion of the celebration of Golden Jubilee of the Co-operative Movement: “The Urban Banks do not run any risk by sanctioning the first, second and fourth types of loans.

“Loans are sanctioned in urban banks on the security of personal sureties also. But these loans are restricted in any well managed urban bank only to reliable and trustworthy persons. It is not possible to collect the monthly dues compulsorily as could be done in the Employees’ Societies. Hence surety loans advanced in urban banks are exposed to greater risks. The option of repayment of instalments in these banks is left to the sweet will and pleasure of the borrower. The urban bank has no hold whatsoever over the borrower to recover the amount except by resorting to arbitration proceedings. The members who borrow surety loans should feel that they should be faithful to the institution which has come to their rescue in times of distress and make up their minds not to commit default and

deceive the society. The philosophy underlying the repayment of instalment of this type of loans is the development of duty as well as character of the citizen. The pinnacle of glory and economic prosperity and the highly advanced character could have been reached when all surety loans are repaid voluntarily with pleasure and with no element of compulsion.”

In the George Town Co-operative Bank there are nearly 5,000 members who have joined the recurring savings scheme. These finances contribute to the Long Term resources of the Bank which is utilised for longterm loans on the security of house properties. House mortgage loans in several urban banking institutions are given only for a period of three years, which a middle class man and much less a poor man cannot afford to repay within the prescribed period of 36 months. The period of 7 years fixed by the Bank facilitates easy repayment in smaller instalments.

As a result of this arrangement, which has been working very successfully during the past 3½ decades, the house mortgages have risen to more than 2,250. The enormous amount of unprecedented help and service rendered by this arrangement can be best appreciated by the members who have availed of this opportunity. The area of operation of this institution extends over the whole City of Madras and one will appreciate, the beautiful colonies that have been built out in several parts of the City, like Nungambakkam lake area, Mandavellipakkam, City Improvement Trust area, Kodambakkam extensions etc. The houses built are large and small depending on the repaying capacity of the borrower. Many middle class families are

living very comfortably in well ventilated, hygienic surroundings and do not suffer the torture and misery that is seen in the congested parts of the City. Not only this; a number of members have utilised the money raised on already completed houses for improving their business and many members have availed of this opportunity for clearing prior indebtedness, where they were paying usurious interests and suffered a series of disadvantages in many respects. There are plenty of other aspects of comfort which the members have derived with the help of these loans and the list is inexhaustible.

One may wonder and ask how one particular Co-operative Urban Bank could have developed itself into an institution of unprecedented magnitude, consisting of thousands of members and non-members having infinite faith and a solemn confidence in the institution. Amidst the many singular features of ideals, the following are the prominent.

1. I have mentioned and repeatedly mentioned in all my tours and visits to several institutions that the three cardinal principles, which are absolutely essential for the successful progress of a co-operative institution are honesty, efficiency and enthusiasm. I have also laid emphasis on the fact that even a combination of any of the two traits with the absence of the third will result in utter failure or non-development. The George Town Co-operative Bank, from its very inception, rests its laurels, on these three cardinal principles, which have been marching abreast in its every day activity.

2. The members of the institution are highly democratic and well principled and cultured and educated. Their loyalty and

attachment to the institution and their keen desire to develop the bank into a great reservoir from which many thousands of persons can derive help of different types and their appreciation of the work turned out by the board of management, are all factors which are responsible for the extraordinary development of this institution.

3. Thirdly, even though the members of the bank belong to different sections of political thought and different spheres of social and economic strata, the one and only common aim for all of them has been the interest of the society and on no occasion they have allowed any other ideal except the co-operative aims to permeate into the society. This has also been one of the factors which has contributed to the progress of this institution.

It has been my aim, ever and even before the publication of the Rural Credit Survey Report of the Reserve Bank of India that Co-operative Movement should pervade in a more extensive manner even in urban areas.

There are no actual figures indicating the total credit needs of the City of Madras, but it is evident from the several types of financing agencies that are flourishing in the metropolis that Co-operative Urban Banks can do much more efficient service to the citizens. It is with this object in view that the Directors of the George Town Co-operative Bank supported by the enthusiastic outlook of the members, have launched a scheme of extensive house mortgage and to do the maximum service to the citizens of Madras. In fact, the George Town Co-operative Bank is known throughout the length and breadth of the City, as a house mortgage institution and its popularity stands foremost.

One question may be asked: To advance nearly 75 lakhs of rupees on various types of loans, Long Term, Medium and Short Term, where does the institution find the means and the funds? I must, on this occasion, mention that it is our unprecedented pride that even in the so called "tightness of money market", this bank had been enjoying the pleasant confidence of the investing members and much more the non-members, not only in the City of Madras but from several parts of the State and outside the State stretching even as far as New Delhi.

I may mention on this occasion that I am the President of the Financing Bank of the City of Madras, viz., The Madras District Co-operative Central Bank, but it is seldom that I have advanced heavy sums from the District Bank to this urban institution. On more than one occasion, loans applied for by this urban bank to the financing bank, even though sanctioned, were not availed of and have been allowed to lapse on account of the rush of deposits, from the public into this institution. Not only this, the urban bank not being able to utilise the heavy rush of deposits has even gone to the extent of limiting the amount of deposit for an individual or an institution during a particular period, which I am also sure never obtains in any other urban activity.

As I have already mentioned, that it is one of my ideals to see that Co-operative financing penetrates into the depths of the activities of the City of Madras, not only have I aimed to bring this institution to this pinnacle of glory, but in the capacity of the President of the financing bank, I have been rendering all possible financial service to the various other urban banks in the City of

Madras and I have helped them to the utmost to make them more substantial and useful to the City.

It will not be out of place, if I mention, the Vellala Co-operative Bank, the Katchaleeswarar Division Co-operative Bank, the Chintadripet Co-operative Bank, the West Madras Co-operative Bank, the Saidapet Sengunthar Co-operative Bank, the Pudupet Co-operative Bank have been given the necessary encouragement from several points of view and I am sure that all these Urban Banks stand on a better footing than what they were and have been rendering much more useful service. Before long I am sure, the several Urban Co-operative Institutions will flourish and stand as a monument of Co-operative glory to the Indian democracy.

The year 1957 is memorable in the History of the George Town Co-operative Bank, Ltd. The Bank has extended its building during this year, since the previous building was not spacious enough for its ever increasing business. An impressive spacious construction has been built up with a large spacious hall to accommodate the secretarial sections and the public counters. A safe room has been built with a model safe vault fitted with the latest Godrej door. It has been decided by the Board to celebrate the opening function of the building in a fitting manner. The General Body in a very enthusiastic manner supported the resolution and authorised the Board of Management to celebrate the occasion in a very impressive manner. A building opening and Souvenir Committee has been formed and the same has been empowered to organise the function. This Committee has been evincing an extraordinary interest in the very many details of mak-

ing this occasion a great success. An attractive souvenir has been prepared and it portrays all the activities of the Bank and also consists of interesting articles and messages from eminent personalities.

The members of the Bank are deeply grateful to the Registrar of Co-operative Societies and his officers for the deep interest they have been evincing in the progress of the bank and for having rendered the necessary advice and technical assistance from time to time. Mr. A. Palaniappa Mudaliar, the present Registrar deserves our sincere gratitude for the help he rendered in placing especially the Monthly Savings and Loan Fund section on a substantial footing.

I must, on this occasion, express my sincere and heartfelt gratitude to the present and past Board of Directors and much more to the general body of members, who have an infinite attachment and affection to me and have been unanimously electing me as a Director and President of this Bank. I have been a Director of the bank during the past twenty-three years and the President of the Bank continuously for the past twelve years. I also acknowledge my humble gratitude to the general body and Board of Directors of the bank for having unanimously resolved to name the Bank's buildings in my name.

I am also deeply indebted to Mr. R. Kanakasabai, M.P. who is the President of the Madras State Co-operative Bank and who has been recently elected unanimously as the President of the Tamil Nad Co-operative Union, for having pleasantly agreed to participate in this evening's function.

It was the determination of the Board and the Committee that this opening ceremony must be performed by the most democratic personality of South India, the Hon'ble the Chief Minister. In spite of the very heavy demands on his time, out of love and affection, he has agreed to

perform this delightful function and we are extremely indebted to him. On behalf of all the members of the general body, I offer him once again a very warm welcome on this memorable occasion and request him to declare the buildings open.

PRESIDENT'S ADDRESS

Sri R. Kanakasabai, M.P., President of the Madras State Co-operative Bank Ltd., in his presidential address said :—

'I am happy to preside over this function to-day and I am glad that this Bank during the last three decades and more has been doing a great service to the middle class and lower middle class people both in the matter of providing credit at moderately cheap rates and stimulating the members to save. The unique system of monthly savings system adopted by this Bank, brings in not only copious seven year deposits, but also proves to be very effective in mobilizing the small savings of the members. Such Banks are a boon to the citizens of Madras. As has been ably pointed out by Dr. P. Natesan, the three essential qualities of a good co-operators are efficiency, honesty and enthusiasm. It is because that both the dynamic president and his colleagues in the directorate are imbued with the three virtues, this Bank

has made such marked and spectacular progress and has become probably the biggest urban bank in our State.

Our Governments both at the Centre and the State are now evincing a very great interest in the development of co-operation. They have come to recognise co-operation as an indispensable instrument of planning and are laying great stress in the five year plans. There has been for some time a mistaken impression in the minds of certain legislators that all is not well with the Co-operative Movement. It is indeed a happy augury that the Government of Madras has appointed the Estimates Committee, with Sri K. Subramania Gounder as Chairman. The Committee, I am glad is examining and studying the Co-operative Movement in great detail and I am sure that the interest of the legislators would be roused regarding the achievements of co-operation on account of the committees' endeavours.

INAUGURATION ADDRESS

Sri K. Kamaraj, Chief Minister of Madras declared open the buildings of the George Town Co-operative Bank Ltd., by pressing a button, and up went the screen and do and behold! the gaily decorated and illuminated buildings radiated illumination. The audience greeted the ceremony with loud applause.

Sri K. Kamaraj, Chief Minister of Madras said :—

"I am extremely glad to inaugurate the majestic buildings of this Bank. It shows the great enthusiasm of the President and directors of the Bank and their devoted labours for strengthening this institution. I am glad to note from Dr. Natesan's remarks that this bank has copious funds of its own and that the bank is helping a large number of citizens

of Madras with cheap house mortgage credit. The enthusiasm of the members is well displayed by their presence at this function in such large numbers.

It is not so much the mere size of the transactions that counts, but it is the service to the large number of members, that counts. I am glad that the bank helps the middle and lower middle class people with credit at cheap rates and also inculcate in them the habit of saving. Not only in the field of credit should co-operation pervade; it should also be expanded in housing, agriculture and other spheres as well. Co-operation means self-help and mutual help. People should join together and help each other. If the principle of co-operation extends to all walks of life, there will be no class struggles, no dissensions of caste, no labour-capital bickerings. Social peace, amity and progress can only be achieved through the practice of co-operation.

I am aware that in Madras State, the Co-operative Movement has made much progress. Efforts are being made to extend co-operation to all villages.

Large-sized societies are being started, so that agriculturists may be provided with cheap credit and other requirements through these societies. Attempts are also made to mobilise savings. As credit for agricultural purposes is required in the rural areas, credit for renovating and constructing houses is required in towns and cities. As far as I am aware there are only 3 or 4 house mortgage banks in Madras State. There should be at least one in each town and more co-operative house mortgage banks should be started. Only then the people in towns and cities can be saved from the clutches of money lenders, who charge exorbitant rates of interest. Being unable to meet these heavy charges, the borrowers have to auction away their small properties. Therefore, there is an urgent need for starting more co-operative house mortgage banks. We should also try to diversify the co-operative Movement in several other spheres and start new experiments, so that co-operative Movement may become a great bulwark of strength to the people to achieve better standards of life.

INAUGURATION OF PUBLICITY RECORDS

Dr. P. Natesan, then requested the Chief Minister to inaugurate the two gramophone records. In so doing, he said that two records have been manufactured with the assistance of a subsidy of Rs. 4,000 given by the Government of Madras. One record was rendered by Sirkali Govindarajan and P. Leila and another was rendered by Isai Arasu M. M. Dandapani Desigar. The records were produced by the Tamil Nadu Co-operative Union. The records would be distributed to District Publicity Officers, Field Publicity Officers,

Block Development Officers, All-India Radio, Madras, Thiruchy and Delhi and co-operative institutions and would be played in the rural parts in order to disseminate co-operative principles to the people at large. He requested the Chief Minister to switch on the records.

The Chief Minister then switched on the records. He said that records were an effective method of publicity.

Then Dr. P. Natesan introduced the directors to the Chief Minister.

REGISTRAR'S ADDRESS

Sri A. Palaniappa Mudaliar, then addressed the gathering as follows:

It gives me great pleasure to associate myself with this function, when the new buildings of the Bank are opened by our Chief Minister. The Bank is one of the oldest co-operative urban banks in the City of Madras. Beginning in a humble way in 1923, the Bank has made remarkable progress. It has increased its membership from 48 in 1923 to 5,478 in 1957 and its share capital from Rs. 359 to Rs. 398 lakhs. On the 30th June 1957, the bank had deposits amounting to Rs. 45 lakhs (including deposits under the Monthly Savings and Loan Fund) and Reserve Fund amounting to Rs. 1.26 lakhs. The loans outstanding against members as on 30-6-57 amounted to Rs. 57.46 lakhs.

The large amount of loans issued by the bank is an indication of the extent of help rendered by it to the middle class people of the city, in the matter of obtaining credit on reasonable terms and the large amount of deposits received by the Bank is an indication of the public confidence in the stability of the Bank.

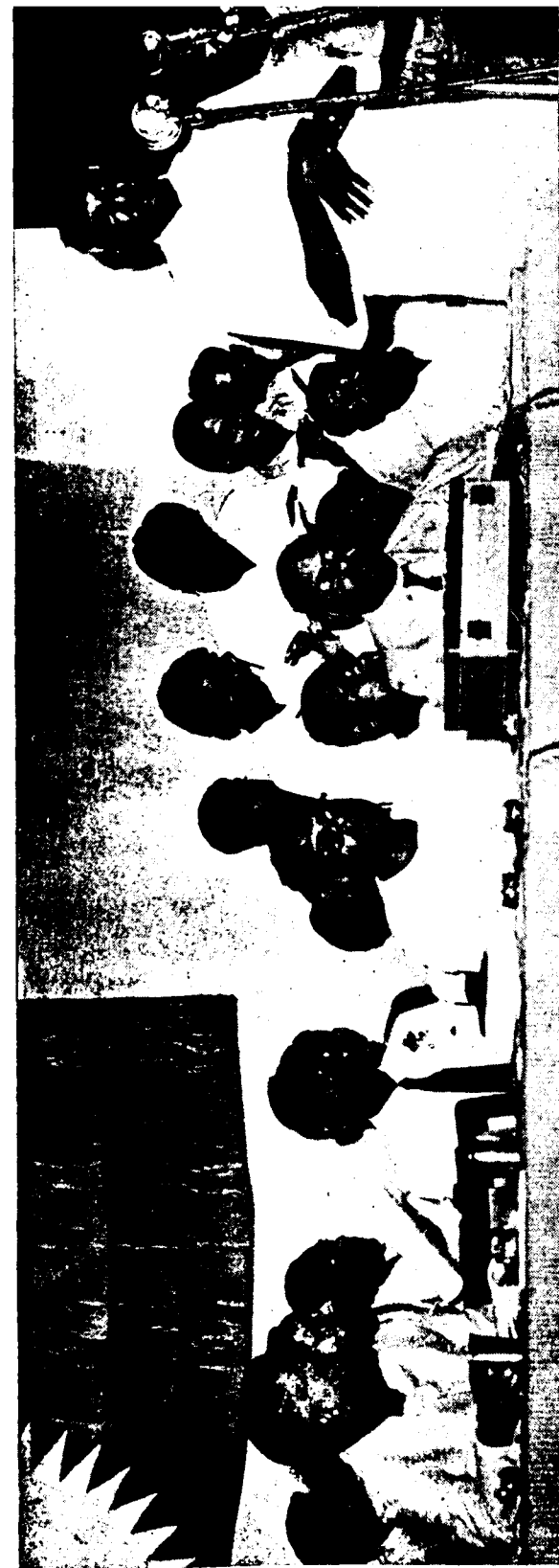
A noteworthy feature in the working of the Bank is that it has paid equal attention to the development of thrift among its members and constituents as to provision of timely and cheap credit to its members. A credit co-operative institution cannot be said to have fully realised its objective, if it had merely issued loans without developing the habit of thrift amongst its members and constituents. It is a matter for gratification that the George Town Co-operative Bank has

realised the importance of promoting thrift. It has opened a separate branch of activity known as 'Monthly Savings and Loan Fund' under which recurring deposits are collected from the members, the minimum contribution towards this deposit being allowed at as low a figure as Re. 1 per mensem. On 30-6-57, the deposits collected under this scheme amounted to Rs. 18.25 lakhs. This is indeed a unique feature of the bank, combining as it does, the usual activities of an urban bank with those of a mutual benefit fund.

The promotion of thrift, involving as it does the mobilisation of the savings of the members of the bank and its constituents, is important from the point of view of the bank also. By tapping the savings of the members and increasing its deposits, the bank will be relying more and more on its own resources and less and less on borrowings from the Central financing agency. The George Town Co-operative Bank must be congratulated on the fact that it has found it necessary to borrow from the Central Bank, only to the extent of Rs. 5.17 lakhs. In other words, only 9 per cent of its working capital of Rs. 55 lakhs represents the loans taken by it from the Central Bank and the rest represents its deposits and its own funds.

We should look at mobilisation of savings which has been brought about by this scheme of thrift, not only from the point of view of the benefit to the individual or to the institution, but also another angle. Mobilisation of savings is of national importance, as well. It helps capital formation and diverts such capital to productive use. From this point of view

George Town Co-operative Bank Building Opening Ceremony.



Sri K. Kamaraj, Chief Minister of Madras is seen delivering the Inaugural Address during the opening function of The George Town Co-operative Bank Buildings.

George Town Co-operative Bank Building Opening Ceremony.



Sri R. Kanakasabai, M.P., is seen delivering the Presidential Address at the Opening function of the George Town Co-operative Bank Building.

George Town Co-operative Bank Building Opening Ceremony.



Sri K. Kamaraj, Chief Minister is seen near the Tablet during the opening of the building of the George Town Co-operative Bank.

also the George Town Co-operative Bank must be considered to have rendered significant public service.

Allied to the promotion of thrift, another essential feature of a co-operative credit institution should be the ability to instil among its members the habit of punctuality and a sense of obligation to pay the loan instalments according to the due dates agreed upon. A fundamental difference between private credit and co-operative credit is that the former is satisfied with security and is not particular about the uses to which the loans are applied or about the time at which the loans are repaid; while the latter insists on the productive use of credit and punctual repayment with reference to the use to which the loan is applied. I am glad to find that the George Town Co-operative Bank has been able to inculcate this habit of punctuality among its members to a great extent, as is evident from the fact that the overdues of the members to the Bank are not much. It should be the endeavour of both the bank and its members to see that even the small overdues are further reduced.

A useful direction in which co-operative urban banks render service to the middle class people in urban areas is the issue of loans on the pledge of jewels. There are 6 co-operative urban banks in the city, which issue jewel loans. During the year 1957-58 they have issued jewel loans amounting to Rs. 6.70 lakhs. The George Town Co-operative Bank issued jewel loans amounting to Rs. 61,000 during 1957-58. The number and the amount of loans issued by these banks must be considered very low considering the population of the city, and also the fact that there are

numerous Pawn Brokers' shops which are flourishing in every nook and corner of the city especially in centres, where middle class people or labourers live. I have been considering whether it is not worthwhile to organise a separate co-operative bank in the city purely for the issue of loans on the pledge of jewels, and this matter is under examination. Perhaps if such a bank is organised it will be a blessing to the middle class people and labourers in the city.

You are aware that one of the forms of security taken by the urban banks in the State for issue of loans to their members is the mortgage of house property. But it is not every owner of house in an urban area that will be able to borrow from an urban bank. The urban banks issue only short term and medium term loans and if those who wish to borrow do not have repaying capacity adequate enough to clear the loan within a period of 1 to 3 years, they cannot be helped. The urban banks cannot extend the period of repayment as the deposits from which they issue loans to the members, are received by them generally for periods ranging from 1 to 3 years. With a view to help such classes of people, urban credit institutions called 'House Mortgage Banks' have been started in our State in a few places. There are 5 such House Mortgage Banks, 2 at Madras, 2 in the Coimbatore district and one in the Tanjore district. These banks take long term deposits and issue long term loans for periods ranging from 5 to 20 years. Some of these banks have been taking long term loans from South India Co-operative Insurance Society, but after the nationalisation of Life Insurance, these banks have been deprived of

this source of finance and are, therefore, greatly handicapped in procuring necessary long term funds for the issue of loans to their members. It has, therefore been proposed to form a Central House Mortgage Bank to serve as an apex financing agency to the existing five house mortgage banks as well as primary house mortgage banks to be formed in future. It is expected that 20 more primary house mortgage banks could be started in urban areas.

The proposed Central House Mortgage Bank will have its area of operations over the entire State and its membership will consist of the primary house mortgage banks as well as, a few individuals. The latter will not, however, be eligible to take loans from the Apex institution. To start with, the paid up share capital of the Central House Mortgage Bank will be Rs. 10 lakhs, Rs. 5 lakhs being subscribed by the primary house mortgage banks and individuals and the remaining Rs. 5 lakhs by the Government by way of State participation. It is expected that an additional share capital of Rs. 10 lakhs will be collected when 20 more House mortgage banks are formed in the future, thus increasing the paid up share capital to Rs. 20 lakhs. It is estimated that the Central House Mortgage Bank will, in course of time, be able to issue about Rs. 50 lakhs per annum as loans to the primary house mortgage banks. The idea is to get these funds by way of loans from the Life Insurance Corporation. The State Government have taken up the matter with the Life Insurance Corporation and the matter is under correspondence with the Corporation. It is hoped that the Central House Mortgage Bank will come into

being shortly. When the Central House Mortgage Bank is formed in the city, and the primary house mortgage banks are started in the mofussil centres, I have no doubt that these institutions will supplement the activities of the 149 urban banks which are already in existence by serving the credit needs of a class of people, whose repaying capacity is not adequate enough for the kind of loans which the urban banks can issue.

Before concluding, I wish to make a suggestion. The progress of this Bank is no small measure due to the untiring efforts and sustained enthusiasm of the Board of directors—past and present—and the co-operation of the members. I understand that among the members of this Bank, there is a fairly good number of women. Promotion of thrift and elimination of wasteful expenditure, are generally the virtues of women. The realisation of these virtues are also the objectives of this Bank. It would therefore be only appropriate if women have representation in the management of the Bank. I hope the suggestion will be considered by the Bank.

I thank the President and Directors of the Bank, for having given this opportunity to address you on this occasion. May this bank enter a new era of service to its members and constituents with the opening of the new buildings to-day and may it contribute to their increasing prosperity.

With a vote of thanks proposed by Sri R. S. Subramania Iyer, Vice-President of the Bank, the function came to an end. Shri-mathis Radha and Jayalakshmi entertained the audience with music.

Proceedings of the General Body Meeting of the Tamil Nadu Co-operative Union Ltd., No. X-387, held on 6th July 1958

The first General Body Meeting of the Tamil Nadu Co-operative Union Ltd., No. X-387, Madras was held on 6th July 1958 at the Memorial Hall, Madras. The following are the results of the elections to the Board of Management and the Executive Committee of the Tamil Nadu Co-operative Union Ltd.

<i>President</i>	...	Sri R. Kanakasabai, M.P.
<i>Vice-President</i>	...	„ D. Krishnamurthy Gounder.
<i>General-Secretary</i>	...	Dr. P. Natesan.
<i>Joint Secretaries</i>	...	Sri M. S. Palaniappa Mudaliar.
	...	„ P. B. K. Raja Chidambaram
<i>Treasurer</i>	...	„ K. Nachohinarkinia Sivam.

Other Members

Credit Committee - 17

1. Dr. T. V. Sivanandam ... Coimbatore District Co-operative Central Bank Ltd.
2. Sri P. S. Rajagopal Naidu, M.P. ... North Arcot District Co-operative Central Bank Ltd.
3. „ N. Bella Gowder ... Nilgiris Co-operative Central Bank Ltd.
4. „ V. Pasupathy ... Madras State Co-operative Bank Ltd.
5. „ R. Rajasanthanam Pillai. ... Sri Kamalambika Co-operative Urban Bank Ltd.
6. „ R. S. Veerappa Chettiar. ... Dharmapuri Co-operative Supervising Union Ltd.
7. „ N. Palaniswamy Gounder. ... Perundurai Co-operative Supervising Union Ltd.
8. „ R. Ramalingam ... Chidambaram Co-operative Supervising Union Ltd.
9. „ K. Srinivasalu Naidu ... Chingleput Land Mortgage Bank Ltd.
10. „ R. K. Venkataswamy Naicker ... Erode Co-operative House Mortgage Bank Ltd.
11. „ N. S. Shanmughasundaram. ... Pannaikadu Co-operative Building Society Ltd.
12. „ C. R. Sadasivam ... Madras Co-operative Central Land Mortgage Bank Ltd.
13. „ T. Ramaswamy Iyengar. ... Madurai Ramanathapuram District Public Servants Co-operative Society Ltd.
14. „ T. Krishnamurthi Gounder ... Mullukkummai Co-operative Credit Society Ltd.

15. Sri T. K. Navalar ... Thiruparankundram Co-operative Agricultural Bank Ltd.
16. „ M. Perianna Gounder ... Vellakuttai Co-op. Society Ltd.
17. „ T. M. Chinnaiya Pillai ... The Co-operative Fire and General Insurance Society Ltd.

Stores Committee—7

1. Sri B. Bhakthavatsalu Naidu, M.L.A. North Arcot District Co-operative Supply and Marketing Society Ltd.
2. „ K. S. Subramania Gounder, M.L.A. Salem District Co-operative Supply and Marketing Society Ltd.
3. „ A. M. Mathuraipuli Gounder Madurai District Co-operative Supply and Marketing Society Ltd.
4. „ T. V. Angappan ... Murugan Mills Co-operative Stores Ltd., Coimbatore.
5. „ A. S. K. Iyengar ... Madras Dock Workers Co-operative Stores Ltd.
6. „ D. K. Yusuf Mohideen Ansari Sahib Dharapuram Co-operative Stores Ltd.
7. „ M. Avanashiappa Gounder Tiruppur Co-operative Stores Ltd.

Education Committee—6

1. Sri M. S. Palaniappa Mudaliar The Ramalingam Co-operative Institute Ltd., Coimbatore.
2. (Vacant) ... The Samiappa Co-operative Institute Ltd., Tanjore.
3. (Vacant) ... The Pandya Nadu Co-operative Training Institute Ltd. Madurai.
4. Sri R. Krishnamurthi ... Honorary Member
5. „ S. Ellappa Mudaliar ... Kancheepuram Co-operative Central Bank Ltd.
6. „ S. R. M. Sankaralingam Pillai Ramanathapuram Co-operative Central Bank Ltd.

Producers Committee—9

1. Sri M. P. Nachimuthu Mudaliar Chennimalai Handloom Weavers' Co-operative Society Ltd.
2. „ A. J. Arunachala Mudaliar M.L.O. Madras State Handloom Weavers' Co-operative Society Ltd.
3. „ K. A. Kasiviswanatha Mudaliar Tiruchengode Handloom Weavers' Co-operative Society Ltd.
4. „ V. Karunakaran ... Melsanankuppam Handpounding Co-operative Cottage Industrial Society Ltd.
5. „ K. Nachchinarkinia Sivam Madras Co-operative Milk Supply Union Ltd.

6. Sri M. Alagu Pillai ... Madurai Co-operative Milk Supply Union Ltd.
7. „ P. M. Jagadeesan ... Trichy Srirangam Co-operative Milk Supply Union Ltd.
8. „ P. Royappa Naidu ... Valarpuram Co-operative Milk Supply Society Ltd.
9. „ A. R. Ramakrishna Naidu Appanaickanpatti Co-operative Agricultural Improvement Society Ltd.

Marketing Committee—11

1. Sri N. S. Ramalingam, M.L.A. Thiruthuraiipundi Co-operative Marketing Society Ltd.
2. „ R. V. E. Venkatachala Gounder Kangayam Cattle Breeding and Marketing Co-operative Society Ltd.
3. „ P. Allapichai ... Theni Co-operative Sale Society Ltd.
4. „ A. P. C. Veerabahu, M.L.A. Tirunelveli District Co-operative Supply and Marketing Society Ltd.
5. „ V. P. Ponnuswami Mudaliar Vellore Co-operative Sale Society.
6. „ S. Gopal Reddiar ... North Arcot District Co-operative Printing Works Ltd.
7. „ M. Jagannathan ... Erode Co-operative Handloom Weavers' Co-operative Society Ltd.
8. „ G. Kuppuswamy Mudaliar Kancheepuram Silk Handloom Weavers' Co-operative Society
9. „ A. J. Arunachala Mudaliar, M.L.O. Madras State Handloom Weavers' Co-operative Society Ltd.
10. „ C. P. Singaram ... Coimbatore Co-operative Milk Supply Society Ltd.
11. „ K. Varadaraja Mudaliar Darapadavedu Co-operative Milk Supply Society Ltd.

G.O.'s AND CIRCULARS

G.O.'s and Circulars

ENBLOC AMENDMENTS TO BY-LAWS—LEGAL
OPINION—REGARDING

Circular of the Registrar of Co-operative Societies, Madras

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

Registrar.

Re. No. 56695/58 J.

Dated, 1-8-1958.

SUB: Land Mortgage Banks and other Co-operative Institutions—
Enbloc amendments to by-laws—Registration of—Regarding.

Co-operative institutions at times adopt enbloc amendments to their by-laws replacing, amending or deleting some of their existing by-laws. On scrutiny the registering officers may find that some of the amendments are not in order or cannot be registered for some valid reasons. A doubt has arisen whether only such of the amendments as are in order and can be allowed can be registered or whether the entire amendments should be rejected on the ground that amendments to some of the by-laws are not in order. The Government Pleader,

who was consulted in the matter has opined that the enbloc amendments need not be rejected merely because the amendments to some of the by-laws are not in order, that the amendments which are not repugnant to the by-laws can be allowed and that the amendments which are repugnant may be rejected. The Deputy Registrars on general duty are requested to bear the above points in mind while considering the enbloc amendments to the by-laws of co-operative institutions.

A. PALANIAPPAN,
Registrar.RECRUITMENT OF JUNIOR INSPECTORS FROM
SUPERVISORS—REGARDING

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

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

Registrar.

Re. No. 229659/57 G. 2.

Dated, 14-1-1958.

SUB: Recruitment—Recruitment of Junior Inspectors from among
the supervisors of Co-operative Societies and other non official
employees—perusal of the personal files—before selection as
Junior Inspectors—regarding.

According to Rule 2 of the special Rules for the Madras Co-operative Subordinate Service, 15 per cent of the total number of posts of Junior Inspectors to be filled by direct recruitment shall be reserved for supervisors and other non official employees of Co-operative Institutions, who possess the following qualifica-

tions prescribed in Rule 7 of the Special Rules.

(1) Minimum General educational qualifications specified in the schedule to the General Rules or eligibility for University course.

(2) A course of training in any of the Co-operative Training

Institutes in the State and a pass in the Examinations in Co-operation, Auditing, Banking and Book-Keeping conducted by the Madras State Co-operative Union; and

(3) Service of atleast five years as a supervisor or other non-official employee of co-operative societies.

The reservation of a substantial proportion of the vacancies in the posts of Junior Inspectors has been made with a view to encourage the employees of co-operatives to discharge their duties with zeal, enthusiasm, and integrity looking forward for better prospects and also to secure to the co-operative Department, the services of experienced staff at the subordinate level. The co-operative movement in this State is undergoing a large scale expansion consequent on the implementation of the various schemes included in the Second Five Year Plan and the non-official personnel is being strengthened to cope with the increase of work. The supervisory staff of the Central Banks is also strengthened particularly and some of the Central Banks have already created a selection category of supervisors to which appointments are made from the lower category. The other co-operative Institutions employing paid staff have also different grades of staff to which promotions are made from the lower category. It will therefore be necessary to gauge the work and conduct of the staff and decide their suitability for promotion to higher posts etc. In the case of Government servants a (confidential) personal file is maintained for each Government servant by the authorities specified and the particulars such as capacity for work, conduct, and integrity etc. of the Government Servant con-

cerned are noted once in 6 months in the case of probationers and once in a year in the case of approved probationers. It is therefore suggested that a similar (confidential) personal file may be maintained for each employee by the co-operatives to serve as a guide to know the efficiency and the conduct of each non-official staff if this is not already mentioned. It will also help the authority recruiting candidates for appointment as Junior Inspectors to have before them a reliable guide about the suitability of the non-official employees who apply for the posts by obtaining the personal files from the Institutions concerned. The personal files will be a continuous record which will help the officers of the co-operatives also to gauge the work of the staff from time to time and decide their suitability for promotion to higher posts etc. A specimen form for maintenance of such personal file is communicated herewith for adoption with suitable changes wherever necessary. All the State Co-operative Institutions, the District Co-operative Central Banks, Co-operative Wholesale Stores and other co-operative institutions, which employ paid staff are requested to maintain the (confidential) personal files in respect of each such employee. The personal file may be written by the President, or the secretary or other responsible officer, who may be authorised in this behalf by the Board of Management and kept in the personal custody of such officer.

The Registrar trusts that the co-operatives will follow the above instructions, as the maintenance of personal files will induce to the efficiency of their employees and make selection to higher posts easy.

A. PALANIAPPAN,
Registrar.

The Madras Shops and Establishments Act— Exemption to Co-operatives—Cancelled

Copy of G.O. Ms. No. 2982, Department of Industries, Labour and Co-operation, dated 1—8—1958

Acts—Madras Shops and Establishments Act, 1947—Co-operative Societies—Exemption from the provisions of the Act—Grant—Declined.

Read the following:—

G.O. Ms. No. 3423, I.L. and C., Dated 18—10—1957.

From the Regr. of Co-op. Socis., Letter No. 145453/56Q-d/12-4-1958	
From " " " " "	30-4-1958
From " " " " "	8-5-1958
From " " " " "	18-6-1958
From " " " " "	17-7-1958

ORDER:

In the G.O. Ms. No. 3423, Industries, Labour and Co-operation, dated 18—10—1957, the general exemption granted to Co-operative Societies from the provisions of the Madras Shops and Establishments Act, 1947, was cancelled and it was ordered that exemption would, however, be granted to such of the individual Co-operative Societies as have adopted the special by-laws approved by the Government and embodied the provisions in Chapters II, III, V and VII of the Madras Shops and Establishments Act, 1947, in their Standing Orders. The Registrar of Co-operative Societies was asked to apply to the Government for exemption of specified Co-operative Societies that have adopted the special by-laws and embodied the provisions referred to, in their Standing Orders.

2. The Registrar of Co-operative Societies has forwarded lists of Co-operative Societies that have adopted the special by-laws etc.,

for exemption from the provisions of the Madras Shops and Establishments Act, 1947.

3. The Government after careful examination, consider that if labour legislation is enforced on certain Co-operative Societies and is not applied to other societies, it will lead to confusion. They further consider that the provisions of appeal in the special by-laws to a Committee of the Board of Directors is illusory and will not afford the same protection as an appeal to the Commissioner of Labour ensures for an employee. By-law 18 of the special by-laws is also contrary to the freedom of Association. In the circumstances, the Government have decided that where employer-employee relationship exists labour legislation should be enforced. They accordingly decline to grant exemption to the Co-operative Societies referred to in Registrar's letters cited from the provisions of the Madras Shops and Establishments Act, 1947.

(True Copy)

The Idappadi Co-operative Rural Bank Ltd.

P. M. MANICKAM CHETTIAR,
President.

IDAPPADI,
(Salem District.)

CIRCULAR LETTER

Dear Sir,

The Tamil Nadu Co-operative Union Limited, Madras has kindly consented to hold the Third Annual Conference of the Co-operative Rural Banks of our State on 27—9—1958 at Salem in the Salem Co-operative Central Bank's Rest House premises. The President, Idappadi Co-operative Rural Bank will stand as host to the delegates. The Hon'ble Sri R. Venkataraman, M.A., B.L., Minister for Labour and Co-operation, Madras has kindly consented to inaugurate the Conference.

Your Bank's participation in the conference is very important as questions affecting the Rural Banks in our State will be considered in all aspects.

Your Board may be requested to depute two of its members with

the Secretary of your institution to be present at the conference.

A copy of the resolution with the delegation fee of Rs. 10 may be forwarded to us before 31—8—1958.

Any resolution or subjects which your bank may desire to move or consider in the conference may also be sent to us in advance to enable us to arrange them according to subjects and present them to be placed before the Subjects Committee of the Conference.

Please send us a short note on the working of your bank (as on 30—6—1958) in the form appended to facilitate incorporation in the booklet that is being got up to commemorate the occasion.

Expecting your earliest compliance,

Yours faithfully,

(Sd). P. M. MANICKAM CHETTY,
President.

Book-Review

The *Review of the Co-operative Movement in India* for 1954-1956 published by the Reserve Bank contains an account of the various aspects of the co-operative movement during the period 1954-1956. Two new chapters have been added on planning and co-operation and on the role of the Reserve Bank in the sphere of rural credit. The Review indicates that the progress of the co-operative movement has on the whole been well maintained during the period despite inadequacies in particular sectors or aspects of the movement. In these two years, the number of societies rose by 21 per cent, membership by about 15 per cent and working capital by 33 per cent. This is very striking progress. In part explanation thereof, it may be remembered that the movement received a new orientation with the acceptance by official and non-official co-operators of the integrated scheme of rural credit of the All-India Rural Credit Survey Committee.

Coming to details, the number of agricultural credit societies, which continue to form the base of the movement, rose from 1.35 lakhs to 1.68 lakhs. The amount of loans advanced by these societies recorded a substantial increase being as high as Rs. 4,962 lakhs in 1955-1956 as against Rs. 2,964 lakhs in 1953-1954. At the same time, the percentage of overdue to loans outstanding of agricultural credit societies declined from 29 to 25. Another significant feature was the increased strength of co-operative central banks and state co-ope-

tive banks owing to various factors such as contribution to their share capital partly by the State and partly from other sources. The owned funds of central banks rose from Rs. 1,181 lakhs in 1953-1954 to Rs. 1,515 lakhs 1955-56 and those of the state co-operative banks from Rs. 5.61 lakhs to Rs. 7.65 lakhs. The Review points out that the programmes of reform and development, which have been implemented in the last three or four years in the field of co-operative agricultural credit in various states, have begun to bear fruit in some measure and have led to the strengthening of the co-operative credit structure as well as to an expansion in the volume of agricultural finance provided by the co-operative credit institutions, supported by liberal financial accommodation from the Reserve Bank.

Developments in non-credit co-operation, notably in the sphere of cottage and small-scale industries, have been described in the Review. A detailed account has also been given of the arrangements for training of co-operative personnel under the auspices of the Central Committee for Co-operative Training. The Review also contains a number of detailed tables giving data with regard to various types of co-operative societies.

The publication is priced at Rs. 3. Copies are available from the Administrative Officer, Department of Research and Statistics, Reserve Bank of India, Post Box No. 1036, Bombay 1.

The Regional Co-op. Training Centre, Madras

Final Examinations, May, June 1958

Intermediate Training Course

List showing the register number and names of candidates who came out successful in the final examinations conducted in May, June 1958.

S. No.	Register Number	Name of Candidate	State
First Class			
1	12	Sri G. R. Jayachandran	Madras
2	14	" P. C. James	Kerala
3	24	" S. V. S. Narasimha Raju	Andhra Pradesh
Second Class			
1	1	" R. Appaswamy	Madras
2	3	" V. Bhaskara Rao	Andhra Pradesh
3	7	" George Thomas	Kerala
4	9	" C. Gopalakrishnan	"
5	15	" T. F. Joseph	Madras
6	16	" T. K. Kirupanithi	Mysore
7	17	" K. Krishna Nayak	"
8	18	" B. N. Krishna Murthy	Kerala
9	19	" Melville Fernandez	Madras
10	20	" J. Muthan	"
11	26	" K. L. Raman	"
12	30	" K. Subrahmanyam	Andhra Pradesh
13	34	" N. Sattayya Naidu	Kerala
14	35	" M. Thankappan	Andhra Pradesh
15	38	" M. V. S. Veerabhadreswara Rao	Mysore
16	39	" C. R. Yedavannavar	"
Pass Class			
1	2	" K. Asokan	Madras
2	5	" V. Damodaran Nair	Kerala
3	6	" P. Divakaran	"
4	8	" K. C. Gopinathan	"
5	10	" C. R. Gopalaiah	Mysore
6	11	" P. M. Janaranjana Dasan	Kerala
7	13	" M. M. Jayadas	"
8	23	" R. R. Nanje Gowda	Mysore
9	25	" K. M. Narayanan Nair	Kerala
10	27	" S. S. Samalad	Mysore
11	29	" R. Shanmugasundaram	Madras
12	31	" S. H. O. Sundararaj	"
13	36	" C. V. Thankappan Nair	Kerala
14	37	" Turabul Hassan	Andhra Pradesh
15	40	" K. Chandrayya	"
16	41	" V. Krishna Pillai	Madras
17	42	" V. Devadas	Kerala
18	45	" Mohamed Hassan Khan	Bhopal
19	48	" G. Arulswamy	Pondichery
20	49	" M. Sridharan Pillai	Kerala
21	51	" J. Jagannadha Rao	Andhra Pradesh
22	52	" R. S. Subba Rao	Mysore
23	53	" K. Krishnamurthy	Andhra Pradesh
24	57	" M. S. Ramakrishnan	Madras

V. GOVINDAN NAIR,
Principal.

News and Notes

Trinidad Ministers visit Gandhinagar Colony

Messrs. D. C. Granado and Kamaluddin, Ministers of Trinidad paid a visit to the Gandhinagar Colony of the Madras Co-operative House Construction Society, Ltd. on 31-7-1958. They were received by V. S. Rathnasabapathy, President of the Society and Mr. Mohammed Abdul Hafeez, Joint Registrar of Co-operative Societies Madras. They inspected a few houses built in the Colony. Mr. Granado paid a tribute to the good work done by the Society. Mr. Kamaluddin said that houses should be constructed as cheap as possible and with maximum air and light and other amenities. Sri V. S. Rathnasabapathy thanked the visitors and presented them with literature relating to the society.

Conference of Marketing Panchayatdars at Ootacamund

The half-yearly Conference of Marketing Panchayatdars and Presidents of Co-operative Societies was held on 4th August 1958 at the premises of the Nilgiris District Co-operative Central Bank, Dr. N. Basuviah, presiding. The President welcomed Sri Lobo Prabhu, the District Collector and said that the Bank, though a new institution had collected a share capital of Rs. 9 lakhs, deposits of Rs. 16 lakhs and had issued cultivation loans to the extent of Rs. 70 lakhs. Sri Lobo Prabhu, I.C.S., District Collector complimented the Bank on its good work and advised the ryot-members to improve the yield of potatoes by better use of fertilisers and by attending to soil conservation measures like tree-planting and terracing of lands. He also informed the audience that to focus the attention of the ryots on the pro-

blems cited above, "Village Day" will be celebrated on the 7th August 1958 throughout the district. Sri H. B. Hari Gowder, President of the Nilgiris Co-operative Marketing Society appealed to the representatives to make their best efforts to bring the potatoe produce of the ryots to the marketing society and thus get the benefits of society by better marketing facilities and savings facilities.

Sri G. Madalaimuthu Udayar proposed a vote of thanks.

Turaiyur Co-operative Union Meeting.

The General Body Meeting of the Turaiyur Co-operative Union was held on 23-6-58. On that occasion, Sri P. B. K. Raja Chidambaram, Vice-President of the Madras Central Co-operative Land Mortgage Bank unveiled the Portrait of Sri T. S. Muthukumaraswami Mudaliar, President, the Tiruchirapalli District Co-operative Central Bank and Sri T. S. Muthukumaraswami Pillai unveiled the portrait of Sri Sri Naga Reddiar, President of the Union. Sri P. Ponnambala Gounder unfurled the Co-operative Flag. Sri R. Krishnaswami Reddiar, presided over the function.

T. U. C. S. Chepauk Branch Celebrates Golden Jubilee.

The T.U.C.S. Ltd., Chepauk Branch celebrated its Golden Jubilee on 22-6-58, Srimathi Tara Cherian, Mayoress of Madras presided.

Sri S. Nagasubramaniam welcomed the audience. Messrs. K. Veeraraghavelu, President, G. V. Kalyanam, Managing Director of T.U.C.S. addressed the gathering. Srimathi Tara Cherian, Mayoress

of Madras complimented the services rendered by the T. U. C. S. and assured the members to look into the matter of issuing licences to the T. U. C. S. Sri K. Hariharasubramaniam entertained the audience with a mimicry programme. With a vote of thanks, the meeting came to an end.

Minister for Co-operation, Assam visits Tudiyalur Co-operative Agricultural Bank, Ltd.

Mr. M. Haque Choudry, Minister for food, Agriculture and Co-operation, Government of Assam visited the Tudiyalur Co-operative Agricultural Bank, 6 miles from Coimbatore on 26-7-58 to study the working of the Bank. The Minister was received and garlanded by Sri V. C. Subbiah Gounder, President of the Bank. Sri R. Muthuswami, Secretary of the Bank explained the role of the Bank, especially its role in controlling pests on crops and augmenting agricultural production.

The Minister put searching questions on the working of the Bank and recorded in appreciative terms the good work done by the Bank in the visitors book. Sri T. N. Palaniswamy, Vice-President of the Bank proposed a vote of thanks.

Shri Mehdi Nawaz Jung, Minister for Co-operation, Andhra visits Rajampet.

Shri Mehdi Nawaz Jung, Minister for Co-operation, Andhra visited, Rajampet, in Cuddapah District on 6-8-1958. The Co-operators of Rajampet presented a memorandum to the Minister. The Minister observed that since Rajampet was a fruit-growing centre, marketing of fruits should be arranged on a co-operative basis and this activity should be revived. He also suggested that land mortgage banking should be expanded. He said that Government were examining the question of improving the lot of co-operative employees.

OBITUARY

Sri P. Royappa Naidu

Sri P. Royappa Naidu, Vice-President, The Madras Co-operative Milk Supply Union died at his residence at Valarpuram on 22nd August 1958. He was 72. He was also member of the Board of Tamil Nadu Co-operative Union. As a mark of respect to the departed leader, the office of the Madras Co-operative Milk Supply Union remained closed on 23rd August 1958.

Tamil Nadu Co-operative Union, Ltd.

Co-operative Supervisors' Examination June 1958—Results.

The following are the registered number of the candidates who have come out successful at June 1958 Co-operative Supervisors Examination conducted by the Tamil Nadu Co-operative Union at Coimbatore, Tanjore, Madurai, Malabar and Madras Centres. (+ This denotes Supplementary candidates, who passing the part or parts, have completed the Examination).

(A complete list with names and registered number of candidates including those, who completed the examination this year will be printed in the September 1958 issue).—*Editor.*

Coimbatore Centre.

First Class :

7747, 7768, 7773, 7776, 7786, 7808, 7815, 7840, 7842, 7858, 7878, 7898, 7900, 7911, 7913, 7917, 7961 and 7973.

Second Class :

7744, 7746, 7748 to 7750, 7752 to 7759, 7761, 7764 to 7767, 7769 to 7772, 7777 to 7779, 7781 to 7785, 7787 to 7802, 7804, 7807, 7814, 7816 to 7823, 7827, 7828, 7830, 7832 to 7836, 7838, 7839, 7841, 7843, 7845, 7847, 7851, 7853 to 7856, 7859, 7862 to 7870, 7872, 7873, 7875, 7876, 7879 to 7881, 7883, 7884, 7886 to 7888, 7891, 7892, 7894, 7896, 7899, 7902, 7903, 7905, 7907, 7909, 7910, 7912, 7914, 7916, 7919, 7921, 7922, 7926 to 7929, 7931, 7933 to 7935, 7940, 7942, 7943, 7945 to 7949, 7951, 7954, 7957, 7960, 7962, 7963, 7966, 7968, 7969, 7971, 7972 and 7974 to 7976.

PART I.—CO-OPERATION—HISTORICAL, GENERAL AND PRINCIPLES.

7762, 7763, 7812, 7871, 7938 and 7970.

PART II.—CO-OPERATIVE LAW.

7743, 7745, 7751, 7762, 7763, 7774, 7780, 7803, 7805, 7810 to 7813, 7825, 7829, 7831, 7848 to 7850, 7852, 7857, 7861, 7811, 7877, 7882, 7889, 7893, 7895, 7897, 7901, 7904, 7915, 7918, 7920, 7923, 7924, 7930, 7932, 7938, 7939, 7941, 7944, 7950, 7956, 7958, 7959, 7965, 7967, 7970 and 7977.

PART III.—AUDIT.

7745, 7760, 7774, 7857, 7895, 7897, 7901, 7915, 7918, 7920, 7938 and 7967.

PART IV.—BOOK-KEEPING.

7745, 7809 to 7812, 7829, 7831, 7837, 7844, 7846, 7857, 7871, 7874, 7882, 7889, 7895, 7923, 7938, 7944, 7959, 7964, 7965 and 7967.

PART V.—BANKING.

7760, 7810, 7812, 7829, 7837, 7844, 7857, 7860, 7895, 7901, 7923, 7930, 7950, 7956, 7965 and 7970.

PART VI.—RURAL ECONOMICS.

7743, 7751, 7762, 7763, 7774, 7780, 7805, 7806, 7810, 7812, 7813, 7825, 7844, 7850, 7871, 7877, 7889, 7893, 7895, 7904, 7915, 7918, 7920, 7923, 7924, 7932, 7939, 7941, 7944, 7950, 7953, 7958, 7964, 7965 and 7967.

Supplementary Candidates.

PASSED IN PARTS I, II AND III,

+ 8389

PASSED IN PART II ONLY.

+ 8403 and + 8404

Tanjore Centre.

First Class :

7984, 7987, 7988, 8011, 8032, 8046, 8050, 8051, 8054, 8056, 8059, 8105, 8121, 8134, 8148, 8149, 8152, 8153, 8157, 8183 and 8188.

Second Class :

7979, 7981, 7985, 7986, 7989, 7990, 7992, 8000, 8003, 8006, 8007, 8014, 8015, 8017, 8022 to 8030, 8035 to 8040, 8043, 8045, 8047 to 8049, 8052, 8053, 8055, 8057, 8060 to 8062, 8064, 8065, 8068, 8069, 8071 to 8073, 8076 to 8078, 8080, 8082, 8084, 8085, 8091, 8092, 8094 to 8097, 8099 to 8104, 8107 to 8109, 8112 to 8114, 8118, 8120, 8122, 8124, 8125, 8127 to 8129, 8135 to 8138, 8140 to 8147, 8150, 8154 to 8156, 8158 to 8161, 8163, 8165, 8171, 8172, 8177, 8179, 8180, 8184 and 8187.

PART I.—CO-OPERATION—HISTORICAL, GENERAL AND PRINCIPLES.

7994, 8016, 8041, 8042, 8058, 8066, 8067, 8070, 8075, 8083, 8089, 8090, 8093, 8098, 8110, 8115, 8119, 8132, 8166 to 8169, 8181, 8182 and 8185.

PART II.—CO-OPERATIVE LAW.

7978, 7982, 7983, 7991, 7993 to 7999, 8001, 8004, 8005, 8008, 8009, 8013, 8018, 8020, 8031, 8033, 8041, 8042, 8058, 8063, 8067, 8070, 8079, 8087 to 8090, 8110, 8111, 8115, 8119, 8126, 8131 to 8133, 8167 to 8170, 8175, 8176, 8178, 8181, 8182 and 8185.

PART III.—AUDIT.

7993, 7994, 7999, 8004, 8008 to 8010, 8058, 8132 and 8133.

PART IV.—BOOK-KEEPING.

7999, 8004, 8005, 8008 to 8010, 8013, 8016, 8019, 8020, 8031, 8033, 8058, 8063, 8070, 8074, 8079, 8081, 8083, 8089, 8106, 8126, 8132, 8133, 8139 and 8176.

PART V.—BANKING.

8031, 8063, 8075, 8086, 8106, 8115, 8119, 8126 and 8166.

PART VI.—RURAL ECONOMICS.

7978, 7993 to 7998, 8002, 8004, 8005, 8009, 8010, 8013, 8019, 8020, 8034, 8041, 8044, 8058, 8063, 8067, 8070, 8079, 8081, 8083, 8086, 8089, 8098, 8110, 8111, 8117, 8119, 8123, 8126, 8131 to 8133, 8166, 8167, 8169, 8170, 8175, 8178, 8181, 8182 and 8185.

Supplementary Candidates.

PASSED IN PARTS I, II AND III.

+8406 and +8410.

PASSED IN PARTS I AND IV.

8415.

PASSED IN PARTS I AND III.

+8420, +8421, +8423 and 8424.

PASSED IN PART I ONLY.

8409, 8413, 8414, 8416, 8417, +8426, +8427 and +8428.

PASSED IN PART II ONLY.

8425 and +8430.

PASSED IN PART III ONLY.

+8433 and +8434.

Madurai Centre

First Class :

8189, 8195, 8200, 8205, 8210, 8214, 8220, 8221, 8223, 8237, 8242, 8246, 8253, 8272, 8278, 8287, 8317, 8336, 8343, 8351, 8354, 8359 to 8361, 8375, 8376, 8381, 8382 and 8388.

Second Class :

8190, 8193, 8194, 8198, 8199, 8201 to 8203, 8206, 8207, 8209, 8211 to 8213, 8216 to 8219, 8222, 8224, 8226, 8228, 8230 to 8236, 8238 to 8241, 8243 to 8245, 8247, 8250 to 8252, 8254 to 8262, 8264, 8268 to 8271, 8274 to 8277, 8279 to 8283, 8285, 8288, 8290, 8293 to 8297, 8300, 8303 to 8311, 8314, 8315, 8318 to 8335, 8338 to 8341, 8344, 8345, 8347 to 8350, 8352, 8353, 8355 to 8358, 8362 to 8364, 8366 to 8370, 8372 to 8374, 8377 to 8380, 8383 to 8387.

PART I.—Co-OPERATION—HISTORICAL GENERAL AND PRINCIPLES.
8208, 8225, 8267 and 8337.

PART II.—Co-OPERATIVE LAW.

8196, 8197, 8204, 8208, 8215, 8225, 8227, 8248, 8249, 8263, 8265 to 8267, 8273, 8289, 8291, 8292, 8298, 8299, 8302, 8312, 8316 and 8342.

PART III.—AUDIT.

8227, 8229, 8273, 8284, 8291, 8292, 8298 and 8312

PART IV.—BOOK-KEEPING.

8204, 8208, 8215, 8225, 8227, 8229, 8249, 8267, 8273, 8284, 8286, 8289, 8291, 8292, 8298, 8302, 8316 and 8371.

PART V.—BANKING.

8196, 8197, 8208, 8215, 8227, 8229, 8249, 8263, 8284, 8289, 8292, 8298, 8299, 8312, 8316, 8342 and 8371.

PART VI.—RURAL ECONOMICS.

8215, 8225, 8267, 8273, 8301, 8312 and 8316.

Supplementary Candidates.

PASSED IN PARTS I, II AND III.

+8436, +8437 and +8438.

PASSED IN PARTS I AND III.

+8447.

PASSED IN PARTS I AND II.

+8440, +8442, +8443, +8445 and +8446.

PASSED IN PARTS II AND III.

+8448.

PASSED IN PART I ONLY.

+8449, +8450, +8451, +8452, 8453 and +8454.

PASSED IN PART II ONLY.

8444, +8456, +8458 and 8459.

PASSED IN PART III ONLY.

+8460, +8461 and +8462.

Kozhikode Centre

PASSED IN PARTS I, II AND III.

+8469.

PASSED IN PARTS I AND III.

+8473.

PASSED IN PARTS I AND II.

+8471 and +8472.

PASSED IN PARTS II AND III.

+8477, +8478, and +8479.

PASSED IN PART I ONLY.

+8480, +8481 and +8482.

PASSED IN PART III ONLY.

+8485 and +8486.

Madras Centre.

PASSED IN PARTS I, II AND III.

+8487, +8488 and +8490.

PASSED IN PART I AND II.

+8491.

THE NILGIRIS CO-OPERATIVE CENTRAL BANK, LTD, NO. J-90

"Co-operative Central Bank Buildings," Ootacamund.

DR. N. BASUVIAH,

President.

PHONE: 420

SRI B. HALA GOWDER,

Vice-President.

Authorised Capital	Rs. 10,00,000
Paid up Share Capital	Rs. 10,00,000
Statutory & Other Reserves	Rs. 3,45,392
Working Capital	Rs. 88,30,396

Loans and Overdrafts business exceed rupees one crore.

Deposits are accepted at the following rates:—

Fixed Deposits:

For 3 months & upto 6 months	2½%	Current Deposits	½%
For 6 months & upto 1 year	3%	Savings Deposits	2%
For 1 year and upto 2 years	4%	Recurring Deposits	2%
For 2 years and above	5%	Provident Deposits	3%

All Kinds of Banking Business Transacted

Ootacamund,
15-8-1957.

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

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.

DEPARTMENT OF AGRICULTURE

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

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

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

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

Advertisement Tariff:

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

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

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

For further particulars apply to:

The Director of Agriculture

Post Box. No 412, : : MADRAS-5.

THE RAMANATHAPURAM DISTRICT CO-OPERATIVE CENTRAL BANK, LTD.,

No. 5184.

6, West Masi Street, Madurai.

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

POST BOX No. 96.

Branch at: Karaikudi.

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

Deposits are accepted at the following rates:

Fixed Deposits:	6 months 3 per cent	3 years 3½ per cent
	1 year 3½ per cent	4 years 4 per cent
	2 years 3½ per cent	5 years 4½ per cent

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

Savings Bank Deposits	2 per cent
Current Deposits upto Rs. 5,000	½ per cent
Provident Fund Deposits	3½ per cent

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

A. Sivan,
Co-op. Sub-Registrar & Secretary.

R. Nagulswami Naidu,
President.

BUSINESS NOTICE

1. The annual subscription to the "Madras Journal of Co-operation" including postage, is Rs. 8 for India and Rs. 9 for foreign countries, payable strictly in advance. The year begins from July. The price of a single copy of the Journal is 12 annas.

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.

5. **Change of Address** should be intimated then and there. Otherwise complaints about **non-receipt of copies** on that account **will not be attended to**.

6. Rates of Advertisement: The charges are strictly payable in advance.

	Rs.	
Full page	... 200	per year
Half page	... 120	do
Quarter page	... 70	do
(Year means 12 months from the month of commencement of the advertisement.)		

7. Preparation of blocks, unless they are supplied by advertisers, will be charged extra.

8. Advertisement materials should reach the office on or **before 15th** of every month.

All Communications should be addressed to:

The General Secretary,

The Tamil Nadu Co-operative Union,

379, Netaji Road, Madras.

THE Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

PRIL 1954

No. 10, VOL. XLV

PRICE AS. 12 NET.

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

Thought for the Month

Principles of Aided Self-Help Housing.

Recently, Governments have taken a more active part in assisting people to house themselves. Assistance may take many forms: It may simply be financial, by means of loans or insurance of commercial mortgages. It may take the form of material assistance: the development of building sites with roads, water and sanitation, the loan of building plant and equipment, the gift or loan of materials, possibly even the construction of part of the house. It may only be advisory, providing suitable designs and showing householders how to build them.

(From "Housing and Town and Country Planning"—Bulletin of U.N.O.)

The benefits which could be conferred by this International Co-operative Bank are atleast two. For one thing, it will give an incentive to all countries in its area to mobilise small savings and divert the surpluses in each country into a common international pool for channelling out into regions, where capital is urgently required. This organisation of the flow of capital requires in its turn, as the author says, the re-organisation of the existing co-operative credit institutions. The various defects in these institutions such as the accumulation of overdues and mis-management of societies should be removed. Every effort must be made not only to meet the requirements of these institutions from out of the local savings, but also to find surplus in some measure for diverting to the common pool, so that the activities of the institutions may be co-operative in the fullest sense of the word.

The second benefit arising out of an International Co-operative Bank consists in the propagation of the principles and ideology of co-operation in all the countries and the knitting of all the members of the several countries into one co-operative brotherhood. Co-operation knows no regional or racial limitations. It transcends all limitations. An International Co-operative Bank affords ample scope for the realisation of this transcendentalism of co-operation in a large part of the globe. Co-operators may well look for the early organisation of this institution in the larger interests of humanity, particularly at this period when co-operation has begun to deal with man as a whole.

Golden Jubilee Souvenir of the Co-operative Movement.

The Golden Jubilee of the Co-operative Movement was celebrated in Madras State during the Easter week as part of the nation-wide celebrations. There was a mass enlightenment campaign in every part of this State. Special celebrations were held on an elaborate scale in the City of Madras under the joint auspices of the various co-operative institutions in the City. Special Co-operative Supplements in the local dailies in Madras were brought out on the occasion. The Golden Jubilee Special Number of this Journal containing special articles, news of the celebrations at various centres in the State, photographs of men and events and institutions in Madras State will be brought out in May.

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SPECIAL ARTICLES

A Plea for an International Co-operative Bank

SRI R. SUBRAMANIAN

The F. A. O. Co-operative Conference which was held recently in Ceylon suggested the formation of an International Co-operative Bank for the promotion of regional economic development schemes in S. E. Asia. The scope of co-operation in this field of development is immense, especially in respect of S. E. Asian countries.

It is generally said that the S. E. Asian Countries are undeveloped or underdeveloped, in the sense that their resources have not been fully utilised to improve their living standards. Finance is the sinews of economic development and there are two ways of raising the necessary finance to accelerate the tempo of progress: (1) The countries have to resort to foreign capital; (2) they have to mobilise internal financial resources either through taxation or borrowing. Most of the S. E. Asian Countries are planning-minded and a sustained economic development by a process of planning is possible only through an increase in their financial resources. There are, no doubt, difficulties in finding adequate finance in this part of the globe combined with the difficulties that present themselves in these countries when planned economic development is being put through. What is important to note however is that, planned economy or no planned economy, adequate finance is the *sine qua non* of economic progress in this region.

The S. E. Asian Countries have been initiated into what is known as International Economic Co-operation, thanks to the Colombo Plan, the International Bank for Reconstruction and Development, etc. The I.B.R.D. was constituted mainly to improve the economies of the war-devasted countries through long-term financing of development projects. It has done immense benefit to the countries of the West as well as of the East, though to the latter the contribution has been proportionately smaller. Only recently it ventured to break the ice with regard to its operational field viz., S. E. Asia; but compared to the large amount of capital requirements by S. E. Asian countries, it may be said that its working has been meagre.

Under such circumstances, a new move to found an International Co-operative Bank is but proper so as to speed up the developmental plans of these countries by supplementing the already available capital. Co-operation is admirably suited to shoulder this task and to play the double role of not only strengthening the co-operative credit agencies of these countries, but also

directly helping co-operative ideology to take root firmly in the minds of the people in this part of the globe.

The history of co-operative institutions shows that a concentrated and organised system of integrated activities especially in the field of finance, is necessary to work their way up the ladder of progress; the process of concentration has made very little advance in matters relating to finance; the move for an International Co-operative Bank was made even some years ago by the International Co-operative Alliance (Vienna) by effecting the centralisation of Co-operative Credit Organisation.

Before formulating proposals for such an International Institution on Co-operative lines, every country in S. E. Asia will have to take stock of the progress so far made with respect to co-operative banking on a national level. The present state of affairs in the sphere of Co-operative banking in S. E. Asian countries points out that more important than other forms of co-operation is the credit system, though consumer's co-operation has weakened the co-operative credit structure in a few countries. There has always been (and this continues even at present) governmental help to promote the growth of co-operative movement in this region with special reference to the aspect of co-operative credit; and it is to be noted that co-operative credit has not made much progress in many countries of this region.

Defects, if any, (and there are bound to be many) in the co-operative banking system of the countries concerned should be rectified; for example, in India, the basic structure, *viz.*, the primary credit societies, suffers from such defects as the existence of a wide angle of divergence in practice from their true ideals, the non-payment of loans on due dates, the negligence on the part of credit societies to guarantee mutual control which is expected of every member, mismanagement of societies, negligence on the part of credit societies to promote thrift, absence of any progressive mobilisation of rural savings, absence of any reduction of overdues, etc. The reorganisation of the existing co-operative credit institutions will have to be carried out before injecting new blood in them. Countries in S. E. Asia will have to be reminded of this aspect of the problem beforehand, so that by putting their houses in order first, they can help themselves by helping each other—the very principle of co-operation itself. Such a reorientation in their mode of working will make them better institutions for the disbursement of credit and for the mobilisation of indigenous capital. Co-operative Credit institutions can play only a secondary part in the field of finance and it is for the Central Bank of each country to assist them in their work by providing them with facilities to find adequate finance and by enabling them to export surplus capital, if any, to the rescue of co-operative institutions in neighbouring countries, thereby permitting them to

function efficiently within their framework. This pre-supposes a close liaison between the Central Banks of the countries and the proposed International Co-operative Bank. Here also we see the importance of co-operation among the various agencies for finance.

The next question of importance is the constitution of the proposed International Co-operative Bank. As the very name suggests, the International Co-operative Bank (I. C. B) would be the outcome of the recognition of the importance of International Co-operative Banking. Its constitution would, therefore, very much correspond to that of the I.B.R.D., the S.E. Asian countries being its members. The I. C. B can work through the Department of Agricultural Credit of the Central Banks of the countries concerned or through some recognised national financing corporation under the supervision of the Central Bank of the country concerned or of the Government. The primary need of the countries of S. E. Asia is to improve their agriculture and industry for which the finances (both long and short-term) could be found by the I. C. B; the State Co-operative Bank, the Co-operative Central Banks, the primary credit societies and the urban banks shall be the channels through which credit is to be supplied to the various development projects relating to agriculture and industry. The capital of I. C. B. has to be found mainly by the member countries, and if inadequate, may be raised through the flotation of shares, subscription rates and external assistance from other countries, mainly from the West.

A decision of all countries to help each other is essential so that there may be an easy flow of the surplus funds from one co-operative body in one country to the others in another country and each co-operative institution could secure the maximum amount of funds from its members on the understanding that, if it does not utilise all the funds for itself, it can lend the surplus to other co-operatives.

The proposed I. C. B. is different from the I. B. R. D. in this respect; that the former can bring about an efficiency in the field of production and consumption (consumers' and multi-purpose societies would be strengthened consequent on a free flow of funds tending to uniform development in all countries in S. E. Asia) by persevering for itself to the benefit of the many without being wholly dependent on others, while the latter can envisage only an attempt to put the shattered economics of countries on the pedestal of increased production of goods and services; the principle of "each for all and all for each" will be put to an acid test, thanks to the I.C.B. There are many derivative benefits also such as the education of the masses along the lines of co-operation, thereby making them interested in their activities for mutual benefit, which is more important than the present method of State-sponsoring or State imposition.

An International Co-operative Bank, therefore, is essential at present to supplement the work done by the I. B. R. D. in S. E. Asia. Co-operation is an act of faith, a moral philosophy, the easy tenet of which is co-operative banking; the co-operative credit institutions have to learn to co-operate in the sphere of finance; the success or failure of co-operation depends not so much on consumers' co-operation as on co-operative finance which ultimately determines the condition for the victory of co-operative ideals. An I. C. B. eventually becomes the co-operative institution of the people, and for the people. Never before was the need for the development of co-operative institutions felt so much as at present and a genuine gesture of co-operation among the countries will have to find itself translated into action in developing their economics by the establishment of an International Co-operative Bank; for co-operation can be regarded as the surest means to achieve lasting peace and prosperity.

Useful Books for your Library

- Agricultural Finance In India**
(with special reference to Co-operative Movement)
By D. K. RANGNEKAR, M.Com.,
Former Professor of Commerce.
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Pages 245, Cloth Bound. Price Rs. 15
- Agricultural Marketing In India**
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Professor of Co-operation, Co-op. Training College, Poona.
Introduction by Dr. V. K. R. V. RAO.
A Note of observations by Dr. T. G. Shirname, Agricultural Marketing
Adviser to the Government of India. Foreword by Dewan Bahadur Prof.
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From Curative to Constructive Co-operation

SRI J. M. LOBO PRABHU, I.C.S.,

*Secretary to Government, Industries, Labour &
Co-operation Department, Madras.*

The Five Year Plan envisaged Co-operation as an instrument to transform rural conditions. It was to be the channel of finance, State plans and services. Ultimately it was to supersede the capitalist in his function to finance, organise and market production. There has no doubt been an increase of Co-operative Societies but they have not assumed the all-embracing role contemplated for them. In work and in form, Credit Societies are nearly unchanged since they were started fifty years ago, doling out loans to the necessitous, on the joint security of all of them. Attempts at marketing of finished products and distribution of raw materials has been made. In this State marketing has been successful in respect of handloom products. But marketing generally has become difficult with the prevailing fall in purchasing power, while distribution of raw materials has largely ceased with the end of control. No attempt has so far been made to direct other activities in the village, through Co-operative Societies. These societies remain, therefore, small bodies, taking over the debts of members and trying to liquidate them over a period of years. It cannot be said that Co-operative members are economically or socially improved compared with other villagers. It cannot be said that the loans advanced to them have been spent on improvements which give them higher returns. It will not be claimed that they co-operate with each other in their work or are solicitous of common interests. Generally their relationship is only a financial one, in some societies being emphasised by their common calling. Even those who have the benefit of a common marketing organisation think of themselves individually and not collectively in their relationship to such organisation. So far therefore, Co-operation has been curative and not constructive. For that reason, it has not fulfilled the role assigned to it, in the Five Year Plan.

If Co-operation is to become constructive, it has to be re-orientated, according to the new status of the country, to be a strong force in the life alike of individuals and of the community. It must have functions and facilities which will attract the whole village, including the more solvent and influential sections. This can be achieved first if the State recognises Co-operation as the only channel for its purposes, secondly, if Co-operation touches the felt needs and real means of the village, and thirdly, if it is given powers to enforce the State plan at village level, and fourthly if it is organised from

*Address by Sri J. M. Lobo Prabhu, I.C.S., Secretary to Government, Industries, Labour and Co-operation Department, Madras at the Silver Jubilee Celebration of the Madhavapuram Branch of T.U.C.S. Madras on 21st February 1954.

bottom to top, with State help, financial and administrative. There may be a four plank programme, which could be the starting point of this dynamic form of Co-operation.

The first measure may be to use the unemployed time, estimated at half the total working time of the villagers, in creating community services. So far, the plan envisaged that voluntary labour would be available at least as a counterpart to State contributions. This expectation has not been fulfilled to any large extent, as those capable of work, the landless in the majority, can least afford to donate it. A scheme of labour levy is necessary, the levy being related to the economic status, in land or profession of each villager. Any one unwilling to render the labour levied would pay the equivalent amount on which the landless can be employed. This will not only provide roads, drains, embankments, reservoirs, pastures and parks, the village needs, but give employment and purchasing power to the large section of those who are now under-or unemployed. The assessment of labour levy, and its utilisation on an approved plan, if entrusted to the Co-operative Societies of the village, will not only raise the status of the Co-operative Societies, but will make it attractive to those who now ignore it. It is a measure in the interest of the village and of Co-operation.

The second measure is in respect of individual efficiency. At present agricultural efficiency is of the lowest, the yield per acre being a fraction of what is possible. To mention only improvements, the Japanese method of rice cultivation, and the green manuring of fields can double the yield, and more than double the net income. Co-operative Societies can enforce such improvements first by insisting that no new societies will be formed or new members admitted until they accept the proper agricultural discipline. Secondly, in respect of existing members fresh loans may be similarly conditional. Such a regime is fully justified because co-operative credit is not an end in itself, but a means to improve production. If Co-operation has failed to make a greater impression on our agricultural life, it is precisely because money has been advanced without trying to end inefficiency in production, which is the cause of indebtedness. The Agriculture Department should therefore draw up a blue print of improvement, within the capacity of the cultivator, which Co-operative Societies should enforce by making loans conditional thereon.

The third measure is in respect of the village artisans. They have largely lost their occupations because of factory products, their own lacking in quality, finish and even cheapness. Co-operation must extend to all cottage industries, the same system it has for handloom cloth. It must advance the raw materials, and market the finished product. The difficulties are first, that ordinary artisans are not-concentrating like weavers in the village to enable the formation

of an independent village Co-operative Society. In that case, two alternatives are available, first that artisans of the same industry of a group of villages may be formed into a Co-operative Society; second that artisans of different industries in the same village may be formed into a society. In both cases, there will be enough identity of interests. Marketing is the real problem. Firstly, it is necessary to obtain articles of standard quality and approved pattern. This rule will have to be enforced, if the Society and the central organisation are to be safeguarded. Secondly, the cost of production will have to be competitive with factory products. It is possible that in the beginning, in respect of all products, and for a long time in respect of some products, the advantages of mass production may have to be off set by a subsidy, which may be given by the State, or raised by a cess on factory products. This expenditure will be justified by the employment and purchasing power it creates from which the State will receive a return in the long run. To some extent, the market may be assured by Co-operative enterprises using the products of each other, for instance Co-operative Housing Societies may have fittings made for them by Co-operative Societies.

The fourth measure is in respect of Consumers' Co-operative Societies like the Triplicane Urban Co-operative Society. So far though such Societies have been commercially successful, these have not made an impression on the general trade. One reason given is that they follow current market prices and practices, giving the members dividends, on their shares, instead of lower prices on their purchases. If prices in Co-operative Stores are lower and only members are eligible to purchase, membership will become attractive, and turnover will increase. Though this system has its disadvantages, it is worth trying, to only establish co-operative trading as a model to the market.

This and more can be done to make Co-operation a vital instrument of improvement. Consistently with democracy, Co-operation is the best system to mobilise credit and labour. Only the method of doing has to be related on one hand to the ends and means of the new State, and on the other, to the capacities and needs of the people. The old ideas and methods which have made little impression in the past, are not likely to make more, merely because their size is increased. The change must be in the mechanism, which must be adjusted to increase both effort and return. Co-operation in the past was largely curative, the Co-operation of the future must be constructive.

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The Late Dewan Bahadur K. Deivasigamani Mudaliar,
Former Registrar of Co-operative Societies, Madras.
 Born 5-3-1881] [Died 26-1-1943

(Reproduced from the Portrait unveiled by the Hon'ble Dr. U. Krishna Rao,
 at Walajabad on 14-3-1954)

CO-OPERATIVE WORTHIES:

Dewan Bahadur K. Deivasigamani Mudaliar— His Life and Work*

THE HON'BLE DR. U. KRISHNA RAO,
Minister for Co-operation, Madras.

Sri Kilacheri Deivasigamani Mudaliar came from a respectable cultured middle class Vellala family of Kilacheri in Tiruvellore Taluk, Chingleput District. The family held the hereditary Village Munsiff's post, and its chief occupation was agriculture. Education in the English language soon attracted the members of this family even in those early days. Two of Mr. Mudaliar's uncles held high office in the Registration Department. He was educated at the Pachaiappa's High School and College. During this period he came under the influence of his paternal uncle Sri Rao Sahib K. Mariappa Mudaliar, B.A., who was then a Gazetted Officer in the Registration Department, and was noted for his integrity, straight forwardness, and high character. These characteristics of the family were ingrained in Mr. Mudaliar and developed when he was living with his uncle. While in the F.A. class due to ill health Mr. Mudaliar had to discontinue his studies and retire to the village where he took over charge of Village Munsiff from his father. His work as village munsiff brought him into close contact with life in a village, the economic needs of the villager, his psychological reactions to any proposal for betterment of his life and so on. He always prized the experience gained by direct contact with the villagers most and felt that any scheme for betterment of village folk should be framed with the villagers' angle of vision and his natural reaction should be studied and approval sought to make it a success.

The Chingleput District is fortunate in having produced eminent co-operators like Sir P. Rajagopalachariar of Perungavoor and Diwan Bahadur M. Audinarayanayya of Tirur. Sir P. Rajagopalachariar was the first Registrar of Co-operative Societies and was in that capacity touring the villages of Chingleput district for organising co-operative credit societies. The first Society in the Presidency was started at Tirur and the second society at Kilacheri with Sri Deivasigamani Mudaliar as its Honorary Secretary. Sir P. Rajagopalachariar took a liking for the young Secretary who showed much interest in the work and would spend much time with him discussing the various aspects of the business, liability and other details of these small institutions. Two fundamentals were kept in mind that the harmonious life of villagers with trust in one another is not disturbed by the organisation of these societies, that the societies should be built on strong foundations, transact sound business and become self supporting and independent of Government.

That the well-to-do in the villages should deposit their savings in the societies and help in their management, and that particular care should be taken to see that the poor in the village are helped to become members of the village society and derive the benefit of the organisation. To him character was the main consideration. A poor man with character, he always felt, would make a better member of a co-operative society. He used to say his wealth is his labour and his character.

*Speech delivered by the Hon'ble Dr. U. Krishna Rao, Minister for Co-operation, Madras while unveiling the Portrait of Sri Deivasigamani Mudaliar on 14-3-54.

To begin with the Kilacheri Co-operative Credit Society was registered as a limited liability society. But in the discussion that Sir P. Rajagopalachariar had with Mr. Mudaliar he was convinced that a sound structure of finance could be built up only if the villagers felt the responsibility for each other's actions and inspire confidence in the depositors about the safety of their deposits. The discussions also revealed that the small farmer members would benefit greatly if they purchased their necessities jointly; and accordingly the by-laws of village credit societies were recast providing for unlimited liability and multipurpose activities. The by-laws of the Kilachery Society were accordingly changed and the liability of the society was changed to limited liability. It is a matter for gratification that these fundamental principles have stood the test of time and been adopted in the societies formed, thereafter. Sir P. Rajagopalachariar was so much drawn towards the young Mr. Mudaliar, his honesty, hard and sincere work and above all his solicitude for the poor villager that when he had to make the first appointment in his department, he visited Kilacheri, convinced the young man as well as his parents and appointed him as the Inspector of Co-operative Societies on 5th November 1905. Thus began his official career in the Co-operative Department.

"By dint of sheer merit, patience and industry he rose to the top-most place in the co-operative department." "It is no exaggeration", wrote the then Editor of the *Madras Journal of Co-operation* Sri R. Suryanarayana Rao, "to say that the movement owes a great deal to his untiring efforts to place it on a sound basis. The successive Registrars found in him a safe guide owing to his unrivalled knowledge of rural conditions. The meticulous care he bestowed on the details of administration without losing sight of the ideals for which the Movement stands and the human touch he gave to various aspects of the Movement are characteristics which were always in evidence and recognised by all. If the archives of the Secretariat and the office of the Registrar are ransacked, one will find his valuable notes on many a problem which faces the Movement today. He anticipated most of the questions which are burning topics of the day and laboured hard to solve them. He was undaunted by failures. Failures proved in his case rather as stepping stones to success. He was a pioneer in regard to Co-operative Milk Supply in the City."

From the post of Inspector of Co-operative Societies, he was promoted as Chief Inspector, Deputy Collector, Assistant Registrar, Personal Assistant to the Registrar, Joint Registrar and Registrar of Co-operative Societies for a period of eighteen months. His total service in the Department was for thirty one years and during this long period of service he utilised to the best of his lights to help the economic betterment of the villager which was his only ambition. The Government of the day recognised his zealous services and honoured him with the titles of Rao Sahab, Rao Bahadur and Diwan Bahadur and held him in high esteem.

Mr. Mudaliar grew with the movement and devised plans for tackling situations as they arose. He always recognised that the co-operative movement is to be worked by the non-officials and the officials were to keep themselves in the background helping the movement with expert advice whenever needed. He strongly believed in the essentially democratic nature of the movement and organised the first co-operative conference of the Presidency at Kancheepuram. His ideal

was to make the members of societies feel that they were working a system for their own economic emancipation. In those early days when men of eminence in other walks of life kept themselves aloof from the co-operative movement, because they did not think it worthy of their association, he used to meet them personally and invite them to join the movement. Some of our stalwarts in co-operation who brought great name and fame to the co-operative movement in the State like late Sri Ramalingam Chettiar were induced by him to enter the movement. It has to be remembered that when many of our District Central Banks and the State Co-operative Bank were started, the movement was in its infancy and those institutions could be built up by persistent hard work by the pioneers who worked selflessly for their development. In later years he would say that the movement owed a deep debt of gratitude to those gentlemen who gave of their best to the movement and helped to spread its activities to the several spheres of economic activity.

While the movement was started as a credit movement, he always felt that its success depended more on what it could achieve on the non credit side. Credit he felt could not completely replace all the existing sources. It could at best exert a salutary influence on the rates of interest and methods followed by the money lenders. But if the rural folk could by organising co-operatively increase their earning, it would quicken the pace of economic development. In not a few of these activities in this direction his intimate knowledge of the conditions of the villagers of Chingleput District stood him in good stead.

As is well-known agriculture in Chingleput district is a gamble with rain. The small farmers could not withstand the effects of drought and were running into debts due to failure of rains. Gandhiji's clarion call that the villager should be helped by providing him with remunerative occupation by providing a second line of earning awakened in him the idea of organising the weavers co-operatively. Accordingly he prepared a scheme for bringing into the co-operative fold the weavers, and building up an organisation to arrange for sale of their products. He emphasised the fact that while the master weaver was a parasite living on the weaver, he was helping him during times of stress and so he should be eliminated not all at once but by degrees and gradually. During his time the State Handloom Society was not a big organisation as it is now but that is because, he was only organising and building it and the Government of the day had not taken up the problem in the very sympathetic way that the Union and State Governments are now taking.

The organisation of villagers for supply of milk to the city, was a thing most dear to his heart. Both as an official and after his retirement as non-official co-operator he gave of his very best to the study of the problem of milk supply. The fundamental point with him, in dealing with this problem was that while pure unadulterated milk was to be supplied, the village suppliers should derive the entire benefit from such organisation. He used to feel that the co-operative organisations built up to replace middlemen should not become costly middlemen themselves and should be symbols of their poor members. He always believed that large members, huge figures and pomp and show would not make co-operation but the character of the members and nature of the transaction. In the general body meetings of the Madras Co-operative Milk Supply Union

which was his creation he would often emphasise to the producers the need for scrupulous honesty on their part telling them at the same time that if necessary he would begin the organisation all over again by accepting milk only from honest producers in small quantities. He used to picture to them, the consumers of the milk produced by them, expectant mothers, children and sickpatients whose health would be adversely affected by any dishonest dealing by the producers. From humble beginnings, the Madras Milk Supply Union was built up to its present dimensions, by his courage of conviction and steadfastness of purpose. He spurned all advice which would build the Union into a big organisation in a few months as his ideal was the organisation of the poor villager for economic betterment and not the organisation of the milk trade on profitable lines, profitable to the big investor.

During the depression years when paddy growing was not a remunerative proposition he struck upon the idea of organising agro industries like sugar making and organised two sugar factories one at Etikoppaka in the Visakhapatnam District and another at Vayyur in the Krishna District. The ideal again was that the producer of the cane should derive the full benefit of his production. For marketing the sugar manufactured in these factories he organised a marketing society and was its Honorary Secretary after retirement. Similarly for the cotton growers of Coimbatore District, he organised the cotton purchase and sale society at Tirupur which today is an important institution rendering help to the cotton producers.

Mr. Mudaliar's interest in the co-operative movement began as a non-official and continued after his retirement from service. To the end of his life he was associated with the co-operative institutions and instead of sticking to institutions he would interest worthy gentlemen in the work and entrust institutions with which he was connected and withdraw from them.

Mr. Mudaliar was a scholar in Tamil and was well versed in Saiva Siddhanta. He would urge on Devasthanams with which he was connected to popularise Tamil philosophic literature. He started the Tamil Sangam to which he drew Tamil worthies of differing ideologies and stations in life and politics and utilised the institution for popularising the knowledge of science and modern thought for the benefit of the Tamil knowing public.

A year after retirement, he was elected as a member of the Madras Legislative Council where he served for a period of three years. He was never however an aggressive politician. His passion was only to serve the poor. The picture of poverty written large on the faces of the toiling agriculturists of Chingleput District never left his mind and whenever there was a chance he would take the opportunity to feeding the poor. He passed away in January 1948.

Sir H. M. Hood, who was then Adviser to Government, wrote on the occasion, "I do not know of any one who has done more for the Co-operative movement than he and unlike some others who have been in government service his whole hearted work for the movement did not cease when he retired from the service of the crown. I am afraid that the societies with which he has been for so many years connected will greatly feel the absence of his advice and guidance".

I shall conclude this short note on the life of Sri Deivasikamani Mudaliar with the observations of our eminent Chief Minister Hon'ble C. Sri Rajagopalachariar: "He was a good man and one whose aim was to serve the society as much as he could".

Sri P. M. Chengappa and His Work

(Contributed)

Sri P.M. Chengappa, a well known co-operator of India and Registrar of Co-operative Societies of the State of Coorg, it is learnt, has recently retired pre-maturely from service, consequently on the abolition of his permanent post by the State Government.

Sri Chengappa is a graduate of the Madras College of Agriculture and a distinguished student of Economics of the University of Madras under Dr. John Mathai and Dr. P.S. Lokanathan and Prof. K.C. Ramakrishnan. Besides passing all the Departmental Tests prescribed for the Officers of the Madras Co-operative Department (Coorg State follows Madras Act and Rules), he specialised in Co-operation and allied subjects at the British College of Co-operation, at Manchester during 1932-33 and toured the whole of the United Kingdom and some parts on the continent of Europe for the purpose of specialised study. He has also toured extensively places of co-operative interest in India. It may be mentioned here that even when he was a student in England he used to contribute articles to the Madras Journal of Co-operation. He has a fellowship of the Royal Economic Society, London and is also a Rotarian.

Sri Chengappa has had a brilliant career of 30 years in the field of co-operation. He has been for 12 years the Registrar of Co-op. Societies, Coorg State. He has also functioned as the Registrar of Joint Stock Companies, Trade Unions, Firms, Provincial Marketing Officer and Supervisor, Agricultural Labour Enquiry, conducted at the instance of the Ministry of Labour, Government of India. Further, he has served as a member on 20 Government Committees and represented his State in several All-India Conferences on varied matters.

He did good service during the last Great War in undertaking the procurement and supply of paddy, standard cloth, agricultural implements and ammunition for crop protection, on co-operative basis, with the full support of the State Bank, Federation and the leading co-operators of the State. A programme very much like the community projects of the present moment was carried out successfully by Sri Chengappa in 10 villages in North Coorg during the last 5 years. The formation of the Coorg Orange, Cardamom and Paddy Marketing Societies at every centre, 10 Rural-Cum-Town Banks functioning as Transmitting Agencies of the State Bank, 6 Co-operative Mahila Samajas, with Nursery, Hindi and Tailoring classes attached to them and a number of multipurpose societies goes to the credit of Sri Chengappa. In fact he has given a re-orientation to the movement.

Several eminent Co-operators and Economists of India who visited Coorg and reviewed the working of the Co-operative Movement, like Dr. B. V. Narayanaswamy Naidu, of the Indian Tariff Board, (now Chairman of the Forward Markets Commission, Government of India), Dr. P.S. Lokanathan, now Secretary, E.C.A.F.E., Sri. J. C. Ryan, I.A.S., Registrar of Co-operative Societies Madras, and the Hon'ble Sri K. Chandramouli, Ex-Minister, Madras spoke with admiration about the achievements of Sri Chengappa. The Hon'ble Sri Chandramouli, who after a tour in Coorg for a week with Sri Ryan, Sri B. Venkataratnam and Sri

M. Dattathreyalu, then President and Secretary, respectively, of the Madras Central Land Mortgage Bank, to study first-hand the working of the Coorg Co-operatives with a view to link the Coorg State Bank with the Madras Land Mortgage Bank for the provision of long-term finance, has stated thus in an official note sent to the Chief Commissioner and published subsequently in the Madras Journal of Co-operation April issue 1949. "The co-operative activities in Coorg, I am sure, will humble down several major Provinces in India. Madras has always been priding on its achievement in co-operation, but your beautiful little Province of Coorg has been saturated with more co-operation than Madras. I am glad to note that every village has been blessed with one or more co-operative societies and several of them have been carrying on multipurpose activities. . . . I can say without fear of contradiction that your Registrar, Mr. Chengappa has taken such keen interest in promoting and encouraging co-operative activities in several directions and has identified himself with the people and did immense service to Coorg." All the successive Chief Commissioners who reviewed the working of the co-operatives in Coorg have paid tribute to Sri Chengappa's ability.

Sri Chengappa is well known to several co-operators in India, as we never failed to impress any one with his fine manners and speeches at the All-India Conferences. He has still a very wide field in the non-official role of the co-operative movement and other fields, not only in his home land but also in India, as he is only 50 years of age with robust health. He carries with him the good wishes of 60 thousand co operators and their families in Coorg, in whose service he has given the best part of his life. His name is a house-hold word in every home in Coorg.

May he be spared long to serve the Movement and the State!

THE TINNEVELLY DISTRICT CO-OPERATIVE CENTRAL BANK, LTD.,
VANNARPET : TINNEVELLY
 (Estd. 1918)

Authorised Capital	Rs. 4,50,000
Working Capital Exceeds	Rs. 73,86,900
Reserve Fund	Rs. 3,01,144

ALL KINDS OF DEPOSITS ACCEPTED

Fixed Deposits : For 6 months 2½%; For one year 3%
 For 2 years 3½%, For 3 years and above 3¾%

**CURRENT, SAVINGS, RECURRING AND PROVIDENT DEPOSITS
 ARE ALSO ACCEPTED.**

Apply for further particulars to:
 Medai Dalavoi Kumaraswami Mudaliar,
 President.

A Note on the Vellala Co-operative Bank Ltd., Madras

SRI S. GANAPATHY,

Secretary, The Vellala Co-operative Bank, Ltd.

The Vellala Co-operative Bank, Ltd., was registered on 4-12-1922 under the Co-operative Societies Act II of 1912 and started on its work on 7-12-1923. The Bank's area of operation is confined to the Madras City.

Though the membership was originally confined to persons belonging to Vellala Caste residing in the Madras City, it is now open to all communities after the enactment of the present Indian Constitution. The concerned by-law has since been amended so as to admit all persons.

The Bank was originally serving the poor and the middle class people. It issued heavy amounts of loans to various persons belonging to various business concerns and employees, on surety basis. The bank successfully worked till the year 1932-1933. Thereafter, the bank incurred loss year after year till the same swelled to Rs. 14,476 in the year 1948. The affairs of the bank were too bad to leave them in the hands of the then management. Immediately, Dr. P. Natesan, President of Madras District Co-operative Central Bank Ltd., (financing bank of the Vellala Co-operative Bank Ltd.) intervened and recommended to the Registrar of Co-operative Societies to supersede the committee of the bank. Accordingly, the Registrar of Co-operative Societies superseded the committee of the bank under section 43 of the Act with effect from 4-3-1949 and appointed Sri S. Ganapathy as Special Officer of the bank to manage its affairs during the period of supersession which lasted for four years from 4-3-1949 to 3-3-1953.

During the period of his examination and careful scrutiny of the accounts and verification of loans, the Special Officer detected a series of frauds and grave irregularities committed by the then management and reported the matter to the Deputy Registrar, who, thereupon, conducted an enquiry into the various allegations under section 38 of the Act VI of 1932.

A sum of Rs. 47,714-15-10 together with interest was found due from the members of the management. Prompt action was taken and the entire amount was collected.

On the date of supersession, a sum of Rs. 1,60,006 was due by the Bank to the financing bank. During the period of supersession the entire amount was duly repaid.

A sum of Rs. 71,875 due to the depositors was also refunded in full during the period of supersession.

All the 83 loans (Mortgage) were examined with regard to the adequacy of security or otherwise early in 1949 and it was found that loans amounting to Rs. 22,500 were ill-secured. During the period, the

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were taken to get the loans secured by making proper arrangements to have the loan outstanding reduced substantially by making vigorous collections by means of coercion and moral pressure. Out of the total amount of loans of Rs. 2,27,940 outstanding on 4-3-1949, a sum of Rs. 1,79,485 was collected leaving a balance of Rs. 48,505 outstanding as on date.

II. Working of the Development Scheme :—

In order to develop transaction of the bank, Dr. P. Natesan, President of the Madras District Co-operative Central Bank Limited., explored the possibilities of reconstituting the bank with an advisory committee and recommended the scheme of the Special Officer after scrutinising the accounts on 20-5-50. The Registrar of Co-operative Societies, approved the scheme and appointed Dr. P. Natesan as Chairman of the Advisory Committee with two other members. He attended every meeting and scrutinised the loan applications with regard to the adequacy of security or otherwise and examined the financial position of the bank every month. As a matter of fact, he attended to all the details of the working of the bank with a view to wipe out the loss.

(a) Membership and Share Capital :—

During the period of supersession, 856 members were admitted and a sum of Rs. 44,024 was collected from them towards share capital. The total number of members and the total amount paid-up share capital as on 31-1-1954 were 1570 and Rs. 73,752 respectively.

(b) Borrowings : From June 1951 to 31-1-1954.

The Bank received a sum of Rs. 4,32,768 from the financing bank in order to disburse loans to members, repaid a sum of Rs. 1,19,964 leaving a balance of Rs. 3,12,804 on date.

Fixed deposits of Rs. 12,058 were collected from the public as well as other deposits such as Recurring, current and Savings amounting to Rs. 4,579.

(c) Loans to members ;

583 loans amounting to Rs. 5,11,863 were issued to members under the development scheme. A sum of 1,78,289 was repaid by the members, leaving an outstanding of Rs. 3,38,574 on date. Owing to recent economic depression, and high cost of living, the borrowers find it beyond their means to repay the monthly instalments in full. Consequently, loans amounting to Rs. 17,000 fell in arrears. The directors have proposed to give relief to the members by refixing the monthly instalments in deserving cases.

Though there is a great demand for credit accommodation from the Public, the applicants do not generally possess the required repaying capacity, since the period of repayment of loan is only 8 years, which is very meager. Eventually many loan applications have to be rejected. The benefits of the Co-operative loans cannot be appreciated by the public, unless the period of repayment of loans is extended to five years in these days of abnormal cost of livings, especially in a city like Madras, where house mortgages loans, are always in great demand, chiefly, for the purpose of discharge of their prior debts.

A NOTE ON THE VELLALA CO-OP. BANK LTD., MADRAS

III. Management restored :

A committee consisting of 7 directors was constituted in the General Body Meeting held on 1-8-1953 under the guidance of Dr. P. Natesan and the normal working of the Bank was restored on 4-8-1953. Sri T. C. Dorairangam, was elected as President of the Bank, Dr. P. Natesan, attended all the monthly meetings on invitation and gave sound advice for the welfare of the Bank. Sri S. Ganapathy, who was the Special Officer, till the date of restoration of the Bank, was again appointed Secretary of the Bank.

The Board of Management records its sincere gratitude for the unflinching support, wise guidance, advice and valuable services rendered by Dr. P. Natesan, now Vice-President of the Madras State Co-operative Bank Limited. It is a well-known that but for his timely action the Bank could not have avoided the major catastrophe of liquidation ending with huge loss not only to the financing bank but also to 1214 members who have subscribed their share capital in the Bank amounting to Rs. 29,728.

It is gratifying to note that the Bank not only recouped its loss of Rs. 14,476 but also earned a net profit of Rs. 3,364 as on 31-1-1954.

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G.Os. & CIRCULARS

G.Os. and Circulars

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

SRI J. C. RYAN, M.A., I.A.S., Registrar.

R. C. No. 189798/52 B.

Dated 7-4-1954.

Sub: Co-operative Societies—Rural Credit Societies—Remuneration under by-laws No. 30 and 55 Clarification.

Ref: 1. Registrar's Circular No. 5782/36, dated 10-8-1936.
2. do No. R. 4392/40-B, dated 6-1-1942.
3. do No. R. C. 568/45-B, dated 19-4-1945.

In the Registrar's Circular first cited, Deputy Registrars were informed that the Registrar had no objection to the enhancement of the remuneration given by rural credit societies for clerical work to Re. 0-12-0 for every Rs. 100 of loans outstanding against their members and in the circular cited as (2) above, it was suggested that the remuneration should be based on the average working capital of the year instead of on loans outstanding against members. Payments of remuneration under by-law No. 55 on a graded scale ranging from 5 per cent to 25 per cent of the net profits according to the progress made in the collection of the demand under principal and interest was also suggested. Model by-laws No. 30 (a) and 55 of the rural credit societies provide for these. One Deputy Registrar has recommended the request of a society to enhance the scale of clerical remuneration to Re. 1 for every Rs. 1,000 of the working capital per mensem. The ground for the enhancement is that the cost of living has gone up and that the rate of remuneration should also be enhanced. This argument is not acceptable. The remuneration is not intended to provide a living but is intended as a stimulus for enthusiastic effort. It will increase with the increase in the working capital and the working capital has gradually increased now over that in 1939 by the individual maximum credit limits and the maximum credit limits of the societies have been raised in conformity with the increased needs and increased values of properties. The Raiffeisen principle is that the services of office bearers in a rural credit society should be honorary and this is embodied in model by law No. 30 (a).

2. In the circular third cited, Deputy Registrars were told that remuneration from general funds payable under by-law 30 of rural credit societies at the rate specified in the first circular might be continued to be made to the Secretary or other member who attends to the clerical work of the society. In order to encourage the development of non-credit business in co-operative societies, it was suggested in the Registrar's Circular No. 126545/49 X-5 dated 29-9-49 that Panchayatdars entrusted with this business might be given remuneration not exceeding 5 per cent of the value of the goods sold or supplied by the society in a year. Model by-law No. 54-A was also suggested for this purpose. In his Circular No. R.C. 14739/50 X-5 dated 20-7-51, the percentage of remuneration was reduced from 5 per cent to 3.1/8 per cent of the sales. In the Registrar's Circular No. 20434/51-B dated 25-12-51, Central Banks were requested to see that rural credit societies with loans of Rs. 50,000 and above outstanding against the members appointed paid clerks and were informed

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that where such clerks were appointed, no remuneration under by-law No. 30 should be given to any Panchayatdar from scriptory work as the scriptory work would be done by the clerks themselves. This is embodied in the second sentence of by-law No. 30 (a) in the revised model appended.

3. Similarly, the Deputy Registrars were informed in the Circular third cited that where the controlled credit system was worked the payment of honorarium might be enhanced to 25 per cent of the net profits and given to the marketing Panchayatdar instead of to any other office bearer. To give effect to this model by-law No. 20A and a note under by-law No. 55 were suggested. This is for the sake of developing the business in the marketing of produce through the marketing Panchayatdars and it should be adhered to.

4. A complete set of model by-law 20-A, 30(a), 54(a) and 55 incorporating the above is appended for the guidance of the officers. They will be incorporated in the model by-laws when they are printed next.

J. C. RYAN,
Registrar.

ENCLOSURES.

Rural Credit Societies.

By-law No. 20-A. "It shall be competent for the Panchayat to select one of the Panchayatdars as a "Marketing Panchayatdar" who will undertake to arrange for the sale of produce of the members through the Sale Society operating in the area. The fact of his selection as Marketing Panchayatdar shall be intimated to the Sale Society forthwith. The Panchayat may frame such subsidiary regulations as are necessary to regulate the work of the Marketing Panchayatdar. The subsidiary regulations framed by the Panchayat shall be sent to the Deputy Registrar for his approval".

(Registrar's; No. 563/45-B, dated 19-4-45.)

30 (a) The work of the members of the Panchayat shall be gratuitous except as provided in by-law No. 54A and 55. The general body may, however, sanction payment to any Panchayatdar for clerical work done by him at rate not exceeding 12 annas for every Rs. 100 of the average working capital of the co-operative year (the average for the year being calculated on a monthly basis); the reserve fund of the society shall be excluded in determining the working capital for this purpose. Where, however, a paid clerk is appointed no payment will be made to any Panchayatdar.

The Panchayat may debit to the society any expenses actually incurred by them in doing the work of the society in the manner indicated below:—

1. Postal charges for remittances, etc., supported by proper vouchers.

2. Travelling allowance of members of Panchayatdars to attend local union meetings or meetings of the Co-operative Central Bank to which the society is affiliated with reference to the rates sanctioned by

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the general body if such travelling allowance is not paid to such members directly by the union or Bank concerned.

3. contributions to union expenditure within the limits sanctioned by the general body for each year or on any special occasion ;

4. establishment charges of a permanent or temporary character sanctioned by the general body ;

5. house-rent furniture cost of stationery, and other defined charges within the annual budget allotment sanctioned for each year by the general body and

6. any other item of expenditure under contingencies not exceeding one rupee.

The Panchayat shall not incur any item of expenditure other than those specified above the previous sanction of the general body of the society.

(b) No money shall be contributed towards the expenses of any co-operative conference unless such conference is held under the auspices of a society which is authorised by its by-laws to undertake the holding of such conferences.

Rural Credit Societies.

By-law "54 A":—It shall be competent to the Panchayat to entrust the day-to-day work connected with any non-credit business undertaken by the society to any one of the Panchayatdars selected by it for the purpose and to pay him such remuneration as it may deem fit but not exceeding $8\frac{1}{2}$ per cent of the value of goods sold or supplied by the society in any one year.

(Registrar's 1,26,545/49 X. 5 dated 29-9-49 and 15789/50 X. 5. dated 30-7-51).

Rural Credit Societies.

Profits.

55. One half of the net profits as declared by the Registrar, year after year, shall be set apart as a reserve fund. Out of the balance, the general body may sanction to any member for any specific service rendered by him to the society including work down as secretary or clerk, remuneration on the following scale :—

(a) For collections effected to the extent of 50 per cent and above of the total demand of principal and interest—25 per cent of the net profits.

(b) For collections effected to the extent of between 25 and 50 per cent of the total demand of principal and interest—15 per cent of the net profits.

Seven and a half per cent of the net profits may be carried to the credit of the common good fund to be utilized for any of the purposes mentioned in section 2 of Act VI of 1890 (India) namely.

The balance of the net profits after the credit to the reserve fund and common good fund, if any, has been made as above provided, may

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be divided among the members subject to a maximum of $6\frac{1}{2}$ per cent on the paid up value of each share. If there be any balance left, it shall be added to the reserve fund.

Note 1. Notwithstanding anything contained in the above by-law, if in any year the overdues under principal against members in respect of the loans due by them exceed 75 per cent of the demand the entire net profits of that year shall be carried to the reserve fund.

(Registrar's R. C. No. 3,583/1987)

Note 2. Where a marketing Panchayatdar has been elected under by-law No. 20A, remuneration payable out of the net profits under by-law 55 to a member for specific service rendered by him to the society, shall be paid to such marketing Panchayatdar only.

(Registrar's R. 568/45 B dated 19-4-45)

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

SRI J. C. RYAN, M.A., I.A.S.,

Registrar.

Dated, 19-4-1954.

R. Dis. 41518/54-A.

Sub: Co-operative Central Banks and other societies—Special By-laws relating to service conditions of employees—Amendments—

Ref: Registrar's Circular R. Dis. 88909/50-A, dated 22-6-1952.

The attention of the Central Co-operative Banks is invited to the Registrar's Circular cited. According to Note (1) under the model special by-law 2(1)(c) relating to service conditions of employees, a person who has taken the B. Com (Hons) degree of the Madras University with "Co-operation" as special subject, should pass the examinations, conducted by the Central Co-operative Institute, Madras or the Madras State Co-operative Union, in subjects which he has not studied for his Hons. Co-operative Union, in subjects which he has not studied for his Hons. course. The Registrar has since re-examined the position with reference to the syllabus of the Madras University for B. Com (Hons) degree with Co-operation as special subject. The syllabus shows that a B. Com. (Hons) student of the University, with Co-operation as his special subject, will study all the subjects in which the Central Co-operative Institute, Madras or the Madras State Co-operative Union, conducts its examinations. The Registrar therefore considers that such persons as have taken the B. Com (Hons) degree of the Madras University with Co-operation as special subject need not pass the Government Technical Examination in Book-keeping, Banking, Co-operation and Auditing or the examinations in these subjects held by the Central Co-operative Institute, Madras or the Madras State Co-operative Union.

2. Persons who have taken the B. Com (Hons) degree of the Madras University with a subject other than Co-operation as their special subject cannot be granted exemption from passing the examinations in all subjects conducted by the Central Co-operative Institute, Madras or the Madras State Co-operative Union. Such persons should not only undergo a course of training in the Government Institute of Commerce, Madras, or the Central Co-operative Institute, Madras or in any of the mofussil co-operative institutes, but should also pass the examinations

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conducted by the Central Co-operative Institute, Madras or the Madras State Co-operative Union in subjects which they have not studied for their Hons. course.

8. To give effect to the above decisions, Note, (1) under the model special by-law No. 2 (1) (c) of Central Co-operative Banks and other societies is amended as follows :—

Note (1) As Existing.

A person who has taken the B. Com. (Hons) degree of the Madras University with Co-operation as special subject shall be exempted from undergoing the training in sub clause (b) of clause I above ; but such person should pass the examinations in subjects mentioned in sub clause (c) if he has not studied them for his Hons. course,

Note (1) As Amended.

A person who has taken the B. Com (Hons) degree of the Madras University with Co-operation as special subject shall be exempted from undergoing the training in sub clause (b) and from passing the examinations mentioned in sub clause (c) of clause I above. But a person who has taken the B. Com. (Hons) degree of the Madras University with a subject "Other than Co-operation" as his special subject, should undergo the training in sub clause (b) of clause I above and should pass the examinations mentioned in sub-clause (c) in subjects which he has not studied for his Hons. course.

All Central Co-operative Banks and other societies are requested to adopt the above amendment at their next general body meeting.

J. C. RYAN,
Registrar.

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Co-operative News GOVERNMENT OF MADRAS

ABSTRACT

Committee Madras State Co-operative Advisory Council-Sri M. P. Nachimuthu Mudaliar co-opted as a member.
Department of Industries, Labour & Co-operation.

Dated 31st March 1954.

G. O. Ms. No. 839.

Read the following :—

G. O. Ms. No. 4660, Development dated 21-10-1953.

From Sri M. P. Nachimuthu Mudaliar—letter dated 2-8-54.

From the Registrar of Co-operative Societies—Letter

Rc. No. 35951/54 dated 18-3-54.

ORDER:

The Government appoints Sri M. P. Nachimuthu Mudaliar, President, Madras State Handloom Weavers' Co-operative Society Ltd. as a member of the Madras State Co-operative Advisory Council.

His term of office will expire on 5-2-55 (A.M.) i. e., the date on which the term of office of the other members nominated by same expires.

(By Order of the Governor of Madras)

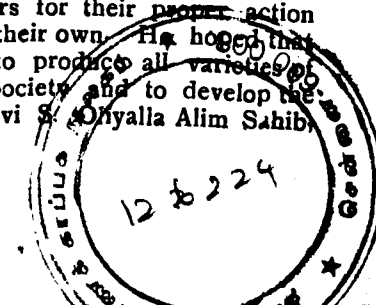
S. ARULDOSS,

Deputy Secretary to Government.

His Excellency Shri Sri Prakasa, Governor of Madras, laid the foundationstone of the office building of the Madras State Handloom Weavers' Co-operative Society at Egmore, Madras., on 29-3-1954. Sri M. P. Nachimuthu Mudaliar, President of the Society presented a welcome address to His Excellency and also welcomed the gathering. He mentioned the part played by the State Society in helping the Handloom Weavers' and the circumstances leading to the need for an owned building. In his address His Excellency explained the need for encouraging the Handloom Industries and appreciated the work done by the State Society. He blessed the society with the hope that the society will be able to do greater service to the handloom industry in the coming years.

Co-operative Dye Factory Opened at Tenkasi.

Sri A. B. Thangavelu Mudaliar, Deputy Registrar of Co-operative Societies, Tirunelveli, opened the Dye Factory attached to the O. 874 Tenkasi Weavers' Co-operative Production and Sales Society Ltd. at the premises of the Society, on the evening of the 26th March 1954. About 200 members of the Society assembled with enthusiasm at the premises of the Society to see the opening ceremony of their own Dye Factory. Janab E. P. M. Mohammad Magdum Sahib, President of the Society, requested the Deputy Registrar to open the Co-operative Dye Factory. Sri A. B. Thangavelu Mudaliar, Deputy Registrar, declared open the Dye Factory and he himself dyed 3 knots of yarn. During the course of his speech he said that the Co-operative Society had so far to go to the private dyers for dying their required yarn. The need for a Dye Factory of its own was very keenly felt for a long time for the production of guaranteed coloured sarrees. He appreciated the Board of Directors for their proper action towards the establishment of a Dye Factory of their own. He hoped that the Dye Factory of the Society would help to produce all varieties of guaranteed goods, bring fair name to the Society and to develop the activities of the Co-operative Society. Moulvi S. Ahyalla Alim Sahib proposed vote of thanks.



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Further particulars can be had from the undersigned:

B. S. VIJAYAGOPAL, B.A., B. COM.

Secretary.