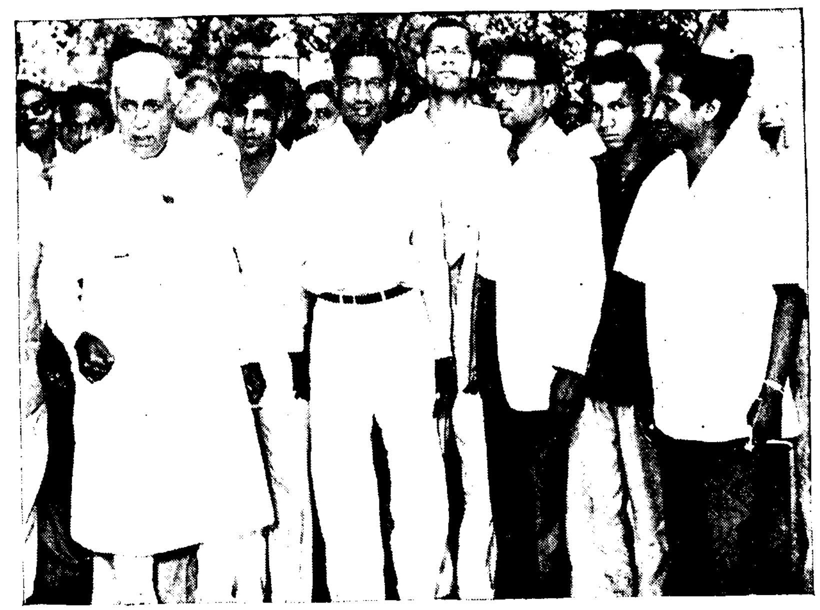
MADRAS JOURNAL OF

Prime Minister Nehru with Educational Instructors



Prime Minister Nehru gave an audience to the Co-operative Educational Instructors at New Delhi. He is seen conversing with a group of Instructors from Madras.

MAY 1959

Official Journal of Tamil Nadu Co-operative Union

THE

Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

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THOUGHT FOR THE MONTH

All human beings are continually striving after the satisfaction of some material need. Co-operation holds out the prospect of success in this effort, provided the persons concerned possess certain moral qualifications. Without these, failure is inevitable. Through co-operation, morality is taken out of the copy book maxim and placed in the forefront of human action as absolutely essential to success in the most ordinary affairs of life. Moreover, the morals of an individual cease to be a purely private matter for his own conscience. They become of importance to the whole community to which he belongs.

—H. CALVERT.

IN THIS ISSUE

Editorial Notes

FIRST CO-OPERATIVE PRINTING PRESS CONFERENCE

The First Tamil Nadu Co-operative Printing Press Conference was an unique event. Though the number of printing institutions under the co-operative fold are quite few, their role in the expanding co-operative economy of the State is vital and strategic in importance. It is this awareness that has been responsible for convening the Conference.

In his welcome address Sri R. Kanakasabai, M.P., President of the Tamil Nadu Co-operative Union highlighted the importance of printing service in the co-operative sector and suggested the broad lines of development of these printing institutions.

Sri V. Balasundram. I. A. S. Registrar of Co-operative Societies, Madras, who inaugurated the Conference pointed out that Co-operative presses must conduct a survey and find out the extent to which they satisfied the printing requirements of the co-operative societies and should periodically take steps to improve their business according to a planned programme. Adverting to the employee-employer relations in co-operative presses, he said that the whole problem should be approached with goodwill and friendliness. He was glad that the printing presses were working out several labour welfare schemes like Provident Fund, Employees' State Insuranee Schemes, etc. He suggested that printing presses should avail of the several housing schemes and provide housing facilities to the employees.

Sri T.S. Sivasubramania Chettiar, a Veteran Co-operator of Coimbatore and President of the Coimbatore Co-operative Printing Press in his Presidential Address made several valuable suggestions for the development of the printing presses on a co-operative basis. He emphasised that the Co-operative Societies should encourage the printing presses with their entire custom; similarly, he pointed out that the presses on their part should execute their orders promptly and offer a first class printing service at reasonable rates. He also pleaded that Government, too, should come forward to assist these institutions in the matter of procuring paper and other requirements, grant of import licences, syphoning off the surplus orders of Government Presses, etc., grant of training facilities to the personnel of co-operative presses etc. He made a convincing plea for the formation of a Federation to act as a co-ordinating agency for the proper development of co-operative presses in the State.

The Conference discussed some of the important problems and requested the Government to assist the Co-operative Presses in the matter of securing paper quotas from the mills, printing machinery, import licences etc. The Conference requested the Government to extend financial assistance upto Rs. 50,000 in the shape of loans and subsidies on a 50 : 50 basis for the construction of building, with godown facilities. The Conference requested the Government to contribute to the share capital of each Press upto Rs. 50,000. The formation of a Federation was suggested by another resolution. The Conference made a plea for the organisation

of a Co-operative Paper Mills. Stress was also laid on the provision of adequate facilities for higher technical training in printing to the staff.

We hope that the Government would consider the proposals formulated at the Conference sympathetically and work out suitable schemes for assistance and thus help to develop one of the vital sectors of Co-operative activity namely the Co-operative Printing Institutions.

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All Communications should be addressed to:

The General Secretary,

The Tamil Nadu Co-operative Union,

379, Netaji Road, Madras.

A Report on the Study of Co-operative Extension and Marketing in Canada

By

Sri V. Murugesan, M.A.,

Deputy Registrar of Co-operative Societies on leave

[We have great pleasure in publishing a serialised *Report on the Study of Co-operative Extension and Marketing in Canada* by Sri V. Murugesan, M.A., Deputy Registrar of Co-operative Societies. Sri V. Murugesan was deputed by the Government to study the Canadian Co-operative Movement in general and Co-operative Extension and Marketing Systems in particular. He was on a Study Tour under the Colombo Plan for a period of seven months. Besides some theoretical orientation, he had the opportunity of studying the working of several co-operative institutions in Canada in great detail. He had submitted a detailed Report on his study of Canadian Co-operatives and we have great pleasure in publishing in this issue the second instalment of his Report.—*Edr.*]

Agencies

The Co-operative Movement in Canada has been sponsored by the people to solve their economic problems and hence the necessity for a frank and free discussion with the potential members for organisation and running of co-operatives is imperative and this resulted in an active educational programme for the Co-operative Movement in Canada. This is also one of the foremost reasons for the successful working of the Co-operatives in the country. As has been indicated, the co-operative extension work is carried on by some of the Universities through their Extension Departments and the co-operative institutions themselves.

The educational work by the co-operatives is carried on by two ways:—

(i) through their respective educational organisations, provincial and national and

(ii) by the individual co-operative organisations themselves.

Co-operative Extension Agencies: Kinds

Even among the co-operatives, there are two types of organisations which carry on educational work, one for the credit unions and the other for the non-credit organisations. Each province has got two educational organisations, viz., (1) the Provincial Co-operative Union and (2) the Credit Union League. As indicated elsewhere, the Credit Union Leagues are affiliated to CUNA which is a national organisation for both Canada and the U.S.A. There is a branch of CUNA at Hamilton in the province of Ontario to serve the needs of the credit unions in Canada. The CUNA supplies necessary techniques and literature for promotional and educational work for the credit unions. As in the case of credit union leagues, each province has got a co-operative union to which all the co-operative institutions (associations) are affiliated and these provincial unions are affiliated to the Co-operative Union of Canada, which is the national educational and promotional body for the co-operative movement in general.

One of the special features of Canada is that it is a bilingual country recognising two languages viz., English and French for official purposes. With a view to make the co-operative educational programme more effective and understandable among the people there are two co-operative organisations at the national level for education and promotional purposes, one for co-operatives of the English speaking people and the other for the co-operatives of the French speaking people. There is no difference in their policies basically. Whenever, they make representation or present memorandum to the Government of Canada they always consult each other and present a joint memorandum on behalf of both the linguistic organisations.

The credit unions known as "Caisses Populaires" in the French speaking areas are having a separate educational and supervising body known as "La Federation Des Caisses Populaires Acadiennes" at the national level and similarly the non-credit institutions are having a national organisation known as "Conseil Canadian de la Co-operation"

Universities Extension Service

I visited two of the Universities viz., St. Francis Xavier University and the Laval University, which participate actively in the spread of the co-operative movement among the fishermen, farmers, lumber men and the mines workers. They carry on an educational programme to bring about an economic improvement in the life of these men specially for the fishermen through economic co-operation. They maintain field staff to carry on the educational work among fishermen and they get financial assistance from the Government of Canada.

St. Francis Xavier University—Extension Department

The St. Francis Xavier University covers all the three maritime provinces, namely, Nova Scotia, New Brunswick and Prince Edward Island. The great worldwide depression of the thirties hit very hard the farmers and the fishermen. During those days the Jesuit Fathers who were running this University tried to rally the people by their constant and untiring efforts to the University to educate them to bring about a solution to their economic problems but in vain. Hence they tried the reverse method of taking the University to the people through the Extension Department and they found encouraging results through group discussions and economic co-operation. The mass meetings, training of leaders, refresher classes, the radio listening followed by kitchen meetings, and publication of literature were some of the measures adopted for propagating the co-operative movement. The special technique adopted for educating the people is the discussion group. In the initial stages the workers engaged in this work faced several handicaps and failures. But they were able to succeed in their work in select centres, where the people were community minded and where there were some natural leaders in those communities. The tangible results they achieved in these select centres served as practical examples to convert the unconvinced people in other areas. The working of the Extension Department of the St. Francis Xavier University and the service rendered to the co-operative Movement in Canada are explained separately in greater detail.

Besides the techniques noted above, the Laval University adopts correspondence course to carry on the co-operative educational work among the fishermen in the Province of Quebec.

Co-operative Agencies

As referred to earlier, the credit union leagues perform the promotional and educational programmes relating to the credit unions at the Provincial level. These institutions are registered sometimes under the Credit Unions Act and sometimes under certain sections of the ordinary Company's Act. The membership is confined to the credit unions coming under area of operation and the Leagues carry out their educational programmes through their regional organisations what are called "Chapters", covering a number of credit unions.

Credit Union Leagues

The objectives of the union in the main are the promotion and organisation of new credit unions, education propaganda and supply of information. These credit union leagues also function sometimes as in the province of Nova Scotia and Ontario as the Central Financing Agency to the credit unions at the Provincial level as in the case of Central Banks at the District level in India. They also help the credit unions in the investments. In such of those leagues which undertake both these functions referred to above, they have two separate departments, one for banking service and the other for promotion and education service.

Source of Income

The funds of the credit union leagues are raised by different methods in different leagues. In the province of Nova Scotia, a per capita levy is made on the individual members of credit unions and not on the credit unions affiliated to the leagues. The credit unions also contribute to the funds of the leagues upto 10 per cent of the net earnings for educational work. Under an agreement with the league, about 50 per cent of these amounts are spent by the unions themselves and the other 50 per cent by the credit union leagues. Another method of raising funds as is seen in the province of Ontario, is to levy subscriptions otherwise called dues on the basis of working capital and the membership of the credit unions. The credit union leagues are very active bodies engaged all the time in extension and education.

Functions

Recognising the fact that the credit union movement is a dynamic one sponsored by the people themselves, the credit unions wherever there is need and where interested persons will undertake to run them, not only the leagues organise new unions but they also assist the credit unions already established. The Directors and the General Managers of the Credit Union Leagues visit the constituent credit unions regularly and continuously supply information, literature and guidance at all the phases of credit union operations. The Credit Union Leagues are officially organised by the Government as the exponent of co-operative opinion. The education programme carried on by publications such as news letters, manual of Co-operation, Maritime Co-operator, Secular Press, etc., by preparing and distributing film strips. Annual meetings are conducted at which the working of the leagues and their constituent units are explained to the members. Credit Union Day is celebrated by the league and provided propaganda about the usefulness of credit unions to the public in improving their economy. Wide propaganda on co-operative activities is also made on such occasions. The leagues conduct short courses of training in co-operative education in colloboration with the Adult Education section of Education Department such as the folk schools and other co-operative unions engaged in similar work. The Credit Union Leagues have got field representatives paid from their funds, who conduct classes in the area of operation of credit unions. The expenses of directors in this connection are met by the credit unions. The agricultural representatives of the Agricultural Department of the Government carry on their propaganda for effective agricultural operation with the aid of these credit union leagues. In this respect, the Agricultural Departments works in close colloboration with the Credit Union Leagues and makes very good and effective use of them. Credit unions also provide legal assistance to their constituents. They also supply forms and stationary required by the credit unions affiliated to them. Credit Union Leagues print forms for use by its constituents after consulting the latter. In addition to the educational and promotional activities the leagues sometimes do book-keeping for their members. The Credit Union Leagues undertake loan protection and savings insurance for the members of the credit unions with the CUNA They collect the premium from the credit union on behalf of CUNA. Because these leagues collect premium on group basis, the premium also becomes cheaper. In short, these leagues keep their members through their constant education programme, the progress and developments of the credit union movement in their area viz. the respective provinces and play a vital part in the growth of the co-operative movement in Canada, which is primarily a peoples' movement. The Provincial Credit Union Leagues are affiliated to CUNA (Credit Union National Association) at the national level.

CUNA

The Credit Union National Association, shortly known as CUNA, was first an association of the credit unions in the United States only and later it became an institution common to the credit unions in both Canada and the United States by changing its constitution. At the national level, a branch of CUNA functions in Hamilton in the Province of Ontario and this branch office is in charge of the credit unious in Canada. This is a non-profit working organisation of credit union leagues. Where no leagues exist, credit unions join CUNA directly until enough credit unions are organised in that area to make a credit union league.

Objectives

Among other things the specific objects of the CUNA are:—

(1) to promote the organisation of new credit unions.

(2) prevent credit union loss.

(3) improve methods and techniques of credit union operation.

(4) co-ordinate and direct efforts of all credit unions in the prime objective.

(5) elimination of usury in personal finance field.

The funds of the CUNA are derived mainly from subscriptions paid by member leagues. Besides the other services rendered, the CUNA which is the promotional

and educational organisation of the credit unions at the international level, does a great deal of propaganda for remaining credit unions and credit union leagues and actively helps them in their work. It is, for this purpose, there is a separate branch called the education branch with full time officers and field workers and it awards prizes and testimonals in recognition of the good work done by them. Although it does not finance credit unions directly, it is doing everything to promote their educational programmes.

Co-operative Unions

The Provincial Co-operative Unions and the Co-operative Unions of Canada are in charge of the education and promotion of Co-operative Associations (non-credit societies in Canada.) The membership of Provincial Co-operative Unions consists of federations of co-operative societies of all kinds having individual members. The Credit Union Leagues also sometimes become members of the co-operative unions.

Functions

The functions of these unions include among other things the teaching of co-operative principles stressing the ideals of co-operation, supply of information and education, and advice and guidance including legal advice to its constituents. The method of education programme followed by the co-operative unions are much the same as those followed by the Credit Union Leagues. The Co-operative Union of Canada is a Union of Provincial Co-operative Unions at the national level ; but its membership is not confined to the Provincial Co-operative Unions only. Besides the Provincial Co-operative Unions, its membership is open to:

(i) organisations with similar objects in Provinces in Canada.

(ii) Companies or Associations of a national or international character doing co-operative business in Canada; and

(iii) individuals who have made an outstanding contribution to the co-operative movement and who are elected as honorary members without the right to vote.

Its main work pertains to the organisation and development of co-operatives, co-ordination of the work of the Provincial Co-operative Unions and the educational and promotional programme of the co-operative movement in general at the national level. The annual meeting of the Union known as the "Congress" is an important event in its business. I attended one such Congress held at Quebec on 16th and 17th of April 1958. Delegates from all the Provinces (except Quebec) representing varied interests in the co-operative movement attend and discuss several problems confronting the movement and arrive at workable solutions. The Congress also shapes the policies of the movement. The Union has a small staff. Both its President and its National Secretary are full time paid officers devoting their entire attention to the progress of the co-operative movement in Canada.

Other Non-Official Agencies

Besides the above agencies to carry on the extension work for the spread of the co-operative movement, organisations like federations of agriculture at all levels, viz., county, provincial, and national and the labour organisation like the Labour Congress of Canada work in close co-operation with the above agencies. The field workers of the federations of agriculture, who are in direct touch with the farmers promote actively the formation of agricultural co-operatives. Similarly, the labour leaders work in close quarters with the co-operators the economic in betterment of the individual through the joint efforts of his fellowmen as their ultimate object. Thus it can be seen that there is a concerted effort on the part of workers and leaders of different walks of life to better their living through economic co-operation and that the educational programme in Canada is active and continuous. Emphasizing the importance and necessity of adult education, Father Coady, a pioneer in the field of adult education for economic co-operation has said once that even if all the young men and women in Canada become University Graduates, there is scope for adult education. Having this basic principle in view, the co-operative extension work that is carried on in Canada covers members, non-members (potential members), office-bearers and the employees of co-operative institutions.

Co-operative Extension: Its Importance and its Nature

Co-operative Extension work is more difficult and complex than other kinds of extension work. For instance, agricultural extension work is comparatively easier. The agricultural extension work deals with physical things that can be easily demonstrated and are soon appreciated; whereas the co-operative extension work has to deal with abstract and intangible things with attitudes and mental outlook. The benefit of co-operation cannot be easily and quickly demonstrated. If the public have to be convinced in the advantages of Co-operation, we must have a co-operative society, which works successfully. Many a time the establishment of a co-operative society faces opposition from vested interests specially in the initial stages. The people are accustomed for a long time to certain existing customs and conventions in their walks of life and to bring about a change in the established traditions and customs especially in their economic sphere in the co-operative way, requires careful handling and hence the method of extension in co-operative work requires to be a bit more tactful, steady and long-lasting. The transformation to a firm faith in Co-operation takes time and it grows on gradually,

The above handicaps have been overcome to a great extent and the movement has taken comparatively a deeper root in Canada and it is largely due to the educational programme which Canadians are pursuing in spite of their high percentage in literacy. The position in India with a high percentage illiteracy, becomes much more problamatical and does require a much more active and continuous extention work in the field of Co-operation. A suitable extension programme is the prime necessity of the day and it deserves to be given top priority in the implementation of the schemes under the co-operative development programmes.

Whither Fishermen Co-operatives?

By

Sri A. P. Jagaraj, B.A., (Hons.)
Co-operative Sub-Registrar, (Fisheries), Madras.

Fish is a valuable protective food rich in proteins, vitamins, and mineral salts. Catching fish has been the occupation of man from the early times. However fishing industry did not improve, as the people did not have the means to adopt new techniques and everybody considered fishing as a mode of living and not as an industry. With the inauguration of the Second Five Year Plan, the fishing industry received a great impetus through the Fishermen Co-operative Societies in the State.

The Co-operative principle can be applied to all branches of economic life. Just on the model of the village rural credit co-operative societies for agriculturists, co-operative activities for fishermen, inland and marine have been organised under limited liability basis for acquiring and holding water-courses such as river and tanks, by purchase or lease for catching fish by members jointly or individually for purchasing or hiring modern craft or tackle for increasing the catches by deep sea fishing, for purchasing or hiring quick transport vans for better marketing of fish and for joint sale of their products. With these objects in view several co-operative societies have been registered and are being registered in the State of Madras. Before the implementation of the Second Five Year Plan there were a few societies scattered along the 620 mile coast line of the Madras State. These Fishermen Co-operative Societies were then a mere a byword for dormancy and inertia, whereas now as on date there are 301 Fishermen Co-operative Societies in the State and they are shaking off their lethargy and springing up full of life and vigour, new blood having been pumped into their veins by the Fisheries Department.

The Fishermen in the State are mostly poor and many of them are indebted to moneylenders, net-owners, merchants and middlemen either within or outside their community. In their poverty and indebtedness many fishermen are unable even to own a country-craft or tackle, not to speak of any modern equipment for fishing. The proceeds of the major portion of their catches go to enrich the net-owners and other middlemen. It is with a view to provide them with crafts and tackles that several Fishermen Co-operatives have been formed and several revitalised. Through these societies a scheme for the grant of long-term loans is being implemented. This scheme provides for the grant of long-term loans to Fishermen through Fishermen Co-operative Societies partly for clearing prior debts, partly for purchasing fishing equipments such as craft and tackles, for purchasing motor vehicles for the transport of fish etc.

Only fishermen who are members of registered co-operative societies are eligible for the loans. It has now been recognised that unless the Fishermen who are in the economic clutches of the middlemen are released from such bondage by the provision of long-term loans and enabled to get a fair price for their catches any touch with the farmers promote actively the formation of agricultural co-operatives. Similarly, the labour leaders work in close quarters with the co-operators the economic in betterment of the individual through the joint efforts of his fellowmen as their ultimate object. Thus it can be seen that there is a concerted effort on the part of workers and leaders of different walks of life to better their living through economic co-operation and that the educational programme in Canada is active and continuous. Emphasizing the importance and necessity of adult education, Father Coady, a pioneer in the field of adult education for economic co-operation has said once that even if all the young men and women in Canada become University Graduates, there is scope for adult education. Having this basic principle in view, the co-operative extension work that is carried on in Canada covers members, non-members (potential members), office-bearers and the employees of co-operative institutions.

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Only fishermen who are members of registered co-operative societies are eligible for the loans. It has now been recognised that unless the Fishermen who are in the economic clutches of the middlemen are released from such bondage by the provision of long-term loans and enabled to get a fair price for their catches any number of schemes for the development of fishing industry will not go a long way to better the lot of the Fishermen.

Co-operation has once again stepped in to smooth out the social inequalities by assisting the weaklings of the society to achieve economic strength by co-ordination and association. The agency of Co-operation that is being employed to lift up the poor and downtrodden be he the cheerless clerk, the toiling artisan, the sweating labourer or the shiftless mill-hand is also employed to uplift the poor fishermen of the Madras State.

Loans amounting to Rs. 6.00 lakhs have been distributed to 66 Fishermen Societies in 1956–57 and 1957–58 and 2456 Fishermen have so far been benefitted. 12 Fishermen Co-operative Societies have constructed godowns and curing sheds each with a subsidy of Rs. 2,000 and a long-term loan of Rs. 2,000.

For the third year of the Second Five Year Plan i.e., 1958–59 Government have set apart the following loans and subsidies (i) long-term loans repayable in 10 years Rs. 2,80,000 (ii) medium-term loans repayable in 5 years Rs. 40,000 (iii) loans for the construction of godowns and fish curing yards Rs. 20,000 and a subsidy of Rs. 28,000. Out of this a sum of Rs. 2.20,250 has been sanctioned as long-term loan, a sum of Rs. 10,678 as medium term loan and Rs. 11,000 for the construction of godowns.

Mechanised Boats and Nylon Nets:—Experts in Fishing industry are unanimous in their opinion that fishing craft in India which are antiquated should be fully motorised if the fishing industry should be remunerative. Introduction of motorised crafts is an urgent necessity as a first step in the development of fully mechanised fishing industry. Engine in the crafts will not only reduce the dependence upon the nature's force like wind, current and tides but will also save the arduous labour and the prolonged time which at present are wasted in the trips to the fishing grounds and back, and which will be very profitably used for increasing the effort in actual fishing operations.

In all countries which have advanced in fishing industry, nets made of synthetic fibre are used as they are found by experience to be more effective in fishing operations leading to a substantial increase in catches. These nets are three times as strong and last six times as long as cotton nets.

The pablo boats (mechanised boats) are given at subsidised rates on hire purchase system. 12 Fishermen Co-operative Societies have been given 39 pablo boats worth Rs. 4,15,000 (subsidised cost). It is ascertained that the average earning per man using catamaran is Rs.3.87, with country craft it is Rs. 2.50, and with pablo boat about Rs. 9.37 per day. As the fishermen get more and more accustomed to working the mechanised crafts and improved gear, the per capita income also is bound to increase in due course.

Quick Tranport Vehicles:—The peculiar nature of fish, as a food-stuff is that it quickly deteriorates in quality. It must be rushed to the market as soon as it is taken out of water. Then only it has a taste when cooked. Otherwise it decomposes and it is useless for food. In this respect it strongly differs from meat and vegetables. The fish must be cooked within four hours of its having been taken out of the water. To enable the co-operatives to bring the catches to the markets quickly, motor vans have been given to these societies on hire purchase system as well as hire system. The Ennore Fishermen Co-operative Society has taken a van worth Rs. 35,000 on hire purchase system. Similarly 9 other co-operatives have taken on hire purchase system 4 vans and 8 lambrettas. Some of the Co-operatives have taken advantage of the vans hired out to the Co-operatives by the Fisheries Department.

The District Co-operative Federations;—To develop the activities of the Fishermen Co-operative Societies, to attend to matters of common interest such as purchasing of yarn longs, boats, etc., and in common act as agents of the societies, Central Organisations called District Fishermen Co-operative Federations have been started at Madras, Tanjore, Ramanathapuram, Tuticorin, Kanyakumari and at Cuddalore. A federation of inland societies in Chingleput and North Arcot Districts is under organisation. One of the main objects of the Federation is to provide quick facilities for modern methods of marketing which will include quick handling, quick transport, preservation of fresh fish etc. The affiliated societies contribute shares to the Federation. The Government also help the Federations by giving loans towards share capital and by granting subsidies for the purchase of furniture etc.

To co-ordinate the activities of the Federations, an apex institution like the State Co-operative Fishermen Federation is under contemplation.

Housing for Fishermen through Fishermen Co-operative Institutions:—A sum of Rs. 14,000 has been sanctioned for constructing 28 houses in Kasikoilkuppam in Chingleput District and 14 of these houses have already been built by the Kasikoilkuppam Fisherman Co-operative Society. The Colachel Fishermen Co-operative Society in Kanyakumari District has implemented a housing scheme by which it has constructed 68 houses for fishermen in the erstwhile Travancore State. A scheme for the construction of 100 houses each year on a well phased programme for the fishermen of the State is a desideratum and a scheme is being implemented.

The Co-operative Central Banks and the Fishermen Co-operatives;—The Fishermen being poor, have neither silver or gold and neither houses nor lands to offer as tangible security for the loans required by them. So, the Co-operative Central Banks in the State are rather reluctant to lend money to these societies. That is why Government stepped in to aid these Fishermen. From the experience gained out of the working of the long-term loan scheme and from a study of the overdue position, it is found that the Fishermen are as credit-worthy as the agriculturists if not more. Some of the Central Banks have of late dispelled this lurking fear and have come forward to help these Fishermen Co-operatives. The honesty, uprightness and earning capacity of the fishermen are found as sound a security as silver and gold. The progressive attitude of the Madras District Co-operative Central Bank and the Tinnevelly District Central Bank in this direction is praiseworthy.

The Reserve Bank of India has come forward to make a study of the Fishermen Co-operatives in the State with a view to extend to them credit facilities on a par with agricultural co-operatives. It is a Geographical truth to stay that ½ of the world is land and $\frac{3}{4}$ water. It is gathered that one acre of water will yield twice as much valuable articles of food as one acre of land. But are we bestowing half as much attention to harvest the water resources as to till the land?

State Bank of India and Rural Credit

THE ROLE OF THE STATE BANK OF INDIA IN THE FIELD OF RURAL CREDIT (WITH SPECIAL REFERENCE TO THE FACILITIES PROVIDED TO THE CO-OPERATIVE MOVEMENT)

The establishment of the State Bank of India in July 1955, pursuant to the recommendations of the All-India Rural Credit Survey Committee, marked an important step in the field of integrated rural credit. Since its inception, the Bank has endeavoured to be responsive to the needs of co-operative institutions and through them, to the development of rural credit generally.

The activities of the Bank in this regard fall into four separate but closely inter-related fields. These are:—

(1) general assistance leading to the development of rural credit through provision to co-operative banks of facilities for remittance of funds and for short-term accommodation, subscription to the debentures of land mortgage banks etc.;

(2) provision of financial accommodation undertaken by the Bank in relation to co-operative marketing and processing societies;

(3) assistance to the scheme of warehousing in the country: and

(4) co-ordination of its policies and activities with those of co-operative banking institutions.

These activities are briefly described below:

General type of assistance leading to development of rural credit

Remittance Facilities

In order to provide extended remittance facilities especially in rural areas, the State Bank of India, as agent of the Reserve Bank of India, has liberalised remittance facilities to state co-operative banks and now permits *free* transfer facilities *thrice* a week instead of, as was the case before, only once a week. State co-operative banks (and their affiliated central or industrial co-operative banks) can, under the scheme, remit, thrice a week, an amount of Rs. 5,000 or a multiple thereof on *each* occasion from any place where there is an office of the State Bank to the principal account it maintains with the Reserve Bank of India.

(*ii*) These facilities have been further extended to include remittances by state co-operative banks and the co-operative banks affiliated to them, to their head office accounts with the offices of the State Bank of India;

(*iii*) Co-operative central financing agencies including their apex banks are given free remittances *once* a week for transferring funds to their up-country branches particularly in the rural areas and are thus helped to send funds from headquarters to the mofussil.

With the progressive implementation of its "branch expansion" programme, the Bank has now 690 branches and sub-offices, many of them in semi-urban and rural areas, and is thus in a position to render effective assistance to co-operative banks by providing cheap remittance facilities on a *steadily increasing scale.*

Provision of Short-Term Credit Facilities

With a view to assisting co-operative credit institutions such as co-operative central banks, etc. the State Bank provides loan/overdraft facilities against Government securities at a *concessional* rate of interest *viz.* one-half per cent below the State Bank of India Advance Rate subject to a minimum of three per cent per annum irrespective of the amonnt of advance or the centre where the advance is granted.

(*ii*) Co-operative credit institutions are given advances on the re-pledge of goods subject to the usual conditions relating to the pledge advances by the Bank. The rate of interest is *one-half per cent below the usual rate for such advances or one per cent over the State Bank of India Advance Rate, whichever is lower.*

(*iii*) The Bank provides, in special cases, advances to state co-operative banks against Government guarantee to enable them to finance their affiliated co-operative societies.

(*iv*) Co-operative banks' own cheques are collected/purchased at a *concessionary rate* of 1/32 per cent, minimum ten annas, as against the usual rate of 1/8 to 1/16 per cent charged to others.

Bills on centres not served by a branch of a state or district co-operative bank are also collected at a *concessionary rate* of 1/32 per cent, minimum ten annas, the proceeds being remitted *at par* by drafts drawn on the local head offices of the State Bank of India or on the branches of the State Bank of India at places where head offices of the co-operative banks are situated.

Drafts/cheques drawn on apex co-operative banks by co-operative banks for the purpose of replenishment of funds are also discounted at 1/32 per cent, minimum 10 annas, within such limits as may be fixed by branch agents.

Provision of Long-Term Credit Facilities

Long-term agricultural credit is generally provided to agriculturists by co-operative land mortgage banks for land improvement and development, etc. The State Bank of India assists them in the following ways:—

(*i*) The Bank subscribes, in suitable lots, to the debentures floated by apex co-operative land mortgage banks from time to time and thus helps them to finance land development etc.

(*ii*) The Bank contributes to the improvement in the marketability and popularity of co-operative land mortgage banks debentures in the money market by granting advances on the security of such debentures.

(*iii*) The Bank provides, in suitable cases, co-operative central land mortgage banks with limited *temporary* financial accommodation against government guarantee, to help them carry on their normal loan business pending the raising of funds through flotation of debentures.

Provision of financial accommodation to Marketing and Processing Co-operative Societies.

The State Bank has undertaken an important aspect of direct finance to co-operative societies *viz.*, that of financing co-operative marketing and processing societies in areas where there is little or no near prospect of the district co-operative banks (or other central financing agencies) being able to provide prompt and adequate finance at reasonable rates of interest to co-operative marketing societies. In suitable cases, after consulting the apex bank and other co-operative interests concerned, the Registrar of Co-operative Societies may give general clearance to the State Bank in respect of a whole region or a whole State.

Marketing Co-operatives

Marketing societies are given advances against pledge of produce (the margin retained varying generally between 25 and 30 per cent with due regard to the nature of the crop) in order to improve their staying power for selling it at favourable prices. In suitable cases, clean accommodation for small amounts is granted by the Bank to the societies against the guarantee of suitable directors thereof or the collateral security of immovable property. The limit of such accommodation is usually fixed with due regard to the volume of goods handled by the society and may not not ordinarily exceed the owned funds of the society. In the case of secured advances, the goods belonging to the societies as well as those left in their charge by others with authority to pledge, may be pledged to the Bank. The objects of the societies, as stated in their bye-laws, should not be repugnant to the concept of mercantile agent'.*

Some of the more important terms and conditions relating to pledge advances to marketing co-operatives (which are always within their overall borrowing limit) include an obligation on their part not to create a further charge on their assets without the Bank's prior approval, to maintain proper accounts and to furnish periodical statements regarding pledge advances, to recover in furtherence of the scheme of integrated rural credit, production loans given by agricultural credit societies from the advances granted or out of the sale proceeds of produce, etc.

The Bank has agreed to release, in special cases, goods under pledge against a 'trust receipt'.† The Bank charges interest on secured advances at rates not exceeding one-half per cent over the State Bank of India Advance Rate (which is at present 4½ per cent) so that the overall incidence of the rate of interest, payment of rent, insurance and other overhead charges, etc., on the borrowers might be kept as reasonably low as possible. For example, no separate godown-keeper's charges are recovered except in case of advances exceeding say Rs. 5 lakhs, where the existing godown staff may not be sufficient to attend to the work and additional staff is required to be employed.

To assist the societies in drawing up loan applications for sanction of credit limits against pledge of produce, the Bank has circulated to all concerned a specimen set of self-contained loan application forms. It has also taken steps, in consultation with the Agricultural Credit Department, Reserve Bank of India, to ensure that relevant bye-laws of primary marketing societies are suitably amended to facilitate the borrowing from the Bank.

*An agent who has, in the customary course of business as such agent, authority either to sell goods, or to consign goods for the purposes of sale, or to buy goods or to raise money on the security of goods.

†This is a document acknowledging receipt of goods and stating that they are held as *trustee* for the Bank and that the society is acting as agent for the Bank for the purpose of getting delivery of the goods, selling or warehousing them, and that the society binds itself to pay over the sale proceeds to the Bank.

Processing Co-operatives

Processing co-operative societies such as sugar factorics, cotton ginning and pressing societies, jute baling co-operatives, etc., may also get accommodation from the Bank on similar terms. For instance, the lines of assistance in the case of co-operative sugar factories ore :—

(*i*) provision of *interim* accommodation by way of clean loans pending disbursement of loans granted to the factories by the Industrial Finance Corporation on the guarantee of State Governments;

(*ii*) advances against pledge of stocks;

(*iii*) grant of loans, upto limited amounts, for working capital (*i.e.* payment of cane price, wages, etc.) against the security of the general assets of co-operative sugar factories;

(*iv*) provision of clean credit facilities for limited amounts in certain cases; and

(*v*) provision for the establishing of letters of credit and wherever necessary, for the giving of deferred payment guarantees for the import of machinery and capital goods on the security of the general assets of the factory and/or the guarantee of State Governments.

Warehousing

Warehousing aiming, particularly as it does, at provision of facilities of scientific storage of commodities, is an essential corollary to the development of agricultural marketing. The Second Five-Year Plan, therefore, envisages a comprehensive programme of warehousing activity in the country through the agency of Central and and State Warehousing Corporation set up under the Agricultural Produce (Development and Warehousing). Corporations Act, 1956. Much of the success of the warehousing scheme depends on a general acceptance by the country's banking system of the warehouse receipt as security for advances. The Bank has offered its full support to the scheme as it increases the range of its usefulness and service in so far as it enables it to make advances to the producer in the rural areas. Certain statutory provisions, such as those relating to the representation on the boards of the National Co-operative Development and Warehousing Board, the Central Warehousing Corporation and the State Warehousing Corporations and its participation in the share capital of the Central Warehousing Corporation, have helped the State Bank in actively associating itself with the warehousing programme. The Bank has, in consultation with the Central Warehousing Corporation, permitted its officers to serve on the advisory committees for warehouses. It has been endeavouring to organise new branches as far as possible at centres, where warehouses of either the Central or State Warehousing Corporations are set up. It has also taken the initiative to evolve procedures for advances by banks against warehouse receipts. To borrow from the Bank on the security of a warehouse receipt, for the present, borrowers should have ordinarily full title to the goods either as the original depositors or the first transferees of the relative warehouse receipts and should not obtain delivery of goods by any means whatsoever during the time the receipts remain endorsed to the Bank.

The Bank charges interest on all advances against warehouse

receipts generally at one-half per cent over the State Bank of India Advance Rate. In the case of co-operative banks and societies, however, the rate is slightly lower but not less than the Bank's advance rate. The Bank has also extended certain concessions to borrowers of small amounts on the security of warehouse receipts in respect of restoration of margins, etc. It has considerably simplified the procedure for obtaining an opinion on intending borrowers against warehouse receipts and extended the scope of its pledge advances to include additional commodities such as dry turmeric and chillies which are expected to come to warehouses for storage. The Bank has been endeavouring to adjust its procedures and terms in order to promote and popularise the warehousing scheme.

Co-ordination of the Bank's policies with those of the Co-operative Financial Structure.

The State Bank has been so shaping its policies as to help and strengthen the co-operative banking institutions. The Bank endeavours to provide finance generally where the co-operative financing institutions are relatively undeveloped or have agreed to the Bank financing, during seasons, the co-operative institutions in any particular area.

Further, pursuant to the recommendations of the All-India Rural Credit Survey Committee, the Bank has agreed to permit its agents to be appointed as *ex-officio* directors of central or apex co-operative banks provided the agents as well as the State Bank are absolved from any liability arising out of anything done by an agent *bona fide* in, or in relation to, the execution of his office as an ex-officio director and the agent is entitled to have his views recorded in the minutes though he may not have voting right.

It will be evident from the foregoing paragraphs that the various steps taken by the State Bank of India have been in consonance with national policies and help to promote and support the institutional structure for the provision, in an ample measure, of rural credit facilities in our fast developing agrarian economy.

The Proceedings of the First Tamil Nadu Co-operative Printing Press Conference

[We have great pleasure in publishing the proceedings of the Tamil Nadu Co-operative Printing Press Conference held at Coimbatore on the 18th April 1959 at the premises of the Coimbatore Co-operative Printing Press. Sri D. Krishnamurthi Gounder, Vice-President of the Tamil Nadu Co-operative Union read the Welcome Address on behalf of Sri R. Kanakasabai, M.P., President of the Union. Sri T.S. Sivasubramania Chettiar, President, The Coimbatore Co-operative Printing Press presided over the Conference. Sri V. Balasundaram, I. A. S., Registrar of Co-operative Societies, Madras declared open the Conference. Dr. P. Natesan, General Secretary of the Tamil Nadu Co-operative Union proposed a vote of thanks. The Conference was attended by about 40 delegates from the Co-operative Presses, Apex Institutions, Central Banks, District Marketing and Supply Societies and other important institutions. The Conference discussed several problems relating to Printing Presses and several decisions regarding the healthy development of Co-operative Presses were taken.—*Editor.*]

WELCOME ADDRESS

By

SRI R. KANAKASABAI, M.P.,
President, The Tamil Nadu Co-operative Union.
(Read by Sri D. Krishnamurthi Gounder on behalf of Sri R. Kanakasabai)

Friends,

This is the first Conference of Co-operative Printing Presses in Madras State, convened by the Tamil Nadu Co-operative Union.

The organisation of Printing Presses on a co-operative basis dates back to 40 years. In 1919, the first Co-operative Printing Press was started in Madras. Later on, Co-operative Printing Presses were subsequently started at Coimbatore, Mathurai, Tanjore, Pudukottai, Vellore, Salem and Kanyakumari. It is proposed organise a Printing Press in South Arcot also. There is ample scope for organising such Pressess in different centres, according to the demand in the respective areas.

Co-operative Presses serve a specialised clientele and the scope for their service is, therefore, limited. However, they perform an essential and unique service in that they try to cater to the printing requirements of the Co-operatives. Therefore, it is necessary that a Conference of this kind should be convened and the problems of this sector should be discussed.

In Madras State, there are about 14,000 Co-operative Societies. The total printing and other stationary requirements may be of the order of Rs. 50 lakhs per year. This Conference will consider how far and to what extent the printing

Co-operative Printing Press Conference

The First Co-operative Printing Press Conference was held on 18-4-59 at Coimbatore. Sri V. Balasundram, I.A.S., inaugurated the Conference. Sri T. S. Sivasubramania Chettiar presided.

A view of the delegates to the First Co-operative Printing Press Conference held on 18-4-59 at Coimbatore.

Ex-Servicemen Transport Society, Vellore.

Sri Bhaskara Thondaman, I.A.S., Collector of North Arcot inaugurated a new bus of the Ex-Servicemen Transport Society, Vellore on 23-4-1959.

Agricultural Bank at Achambathu

Achambathu Agricultural Bank was inaugurated on 19-4-59. Messrs. Dr. G. A. Naidu, V. Alagappan, G. N. Das, P.T. Rajan, M.L.C., and others are seen in the picture.

presses are satisfying the requirements of co-operatives in this direction and suggest suitable measures to improve the working of these institutions. From the Registrar of Co-operative Societies Report for the year 1956-57, it is seen that the Printing Presses have done a business of Rs. 6.35 lakhs. These turnover figures include all the business done for private parties, local bodies and co-operative institutions. The share of the co-operative trade may be only a portion of this figure. The Conference will consider this point and will suggest measures to increase the co-operative share of the printing business done by the Co-operative Presses. I may in this connection point out that it is not sound co-operative practice for the Printing Presses to rely on the custom of the private parties. I wish to indicate briefly the broad lines of development of the Co-operative Printing Institutions.

(i) *Buildings*: Each Co-operative Press should have an adequate building of its own.

(ii) *Machinery:* Each Co-operative Press should be equipped with upto-date machinery to cope up with the increasing printing demands of expanding co-operatives.

(iii) *Share-capital* : Each Co-operative Press should have at least a minimum share capital of Rs. 1 lakh.

(iv) *Raw Materials*: Arrangements should be made to obtain the paper requirements of co-operative presses direct from the Mills.

(v) *Technical Training* : Each Co-operative Press should make arrangements to give Printing Training to the Secretary or the Manager.

(vi) *Federation :* In order to look after the development of printing co-operatives in the State a federation may be formed.

I am thankful to Sri V. Balasundram, I.A.S., Registrar of Co-operative Societies for having kindly accepted to inaugurate the Conference and I extend a hearty welcome to him. I am deeply thankful to Sri T. S. Sivasubramania Chettiar for having kindly accepted to preside over this Conference. I also extend a hearty welcome to him. I have great pleasure in welcoming all the delegates to the Conference.

INAUGURAL ADDRESS

BY

SRI V. BALASUNDRAM, I.A.S.,
Registrar of Co-operative Societies, Madras.

Conference of the Co-operative Printing Presses

I am grateful to the Tamil Nad Co-operative Union for having asked me to inaugurate the conference of the representatives of the Co-operative Printing Presses.

I believe there have been periodical conferences connected with the various kinds of co-operative institutions such as Central Banks, Rural Banks, Agricultural Banks, Weavers' Societies, Housing Societies, etc. There has been no such conference of the co-operative printing presses so far, and it is a good thing that the Tamil Nad Co-operative Union has arranged for such a Conference now. I hope that this conference will be followed by similar conferences periodically, to review the progress of the various co-operative institutions, to discuss their common problems and difficulties and to take steps to solve them.

There are now 8 co-operative printing presses in our State and steps are being taken to form similar societies in districts in which they do not exists. I hope, that before long, every district will have its own co-operative printing press to cater primarily to the needs of co-operative societies in its area. With the increase in the variety and volume of the transactions of the co-operative societies due to the implementation of the various developmental schemes under the Second Five Year Plan, there is a corresponding increase in the demand for the books, registers, forms, ledgers, stationeries etc. used by these societies. Books and forms required by the co-operative societies are of a kind not commonly available in the market. Besides, the printing of various co-operative journals, and other co-operative literature and publicity material has. of late, been on the increase, with the increasing importance attached to propaganda and training.

The 8 co-operative printing presses in our State have a membership of 3,316, of which, 2128 are societies and the rest individuals. Judged by number of societies in the area of operations of these presses the membership is rather poor and needs to be increased. The value of a share may be reduced, if necessary, so that it may be within the means of all co-operative societies to become members of the press. The 8 co-operative printing presses have a total share capital of Rs. 2.39 lakhs and a working capital of Rs. 5.69 lakhs. They own machinery to the value of Rs. 3.68 lakhs. The value of the printing and binding works executed by them amounts to Rs. 6 lakhs per annum. They have been also selling books and forms and the business done in this direction amounts to about Rs. 2 lakhs per year. Though the figures show a sizable volume of business, I do not know how it compared with the total value of the books and forms purchased and the printing works ordered by the co-operative institutions in the area of each printing press. I would suggest that this aspect of the question may be studied and an assessment of the extent to which the printing presses have rendered services to the sesocieties, be made. Every co-operative printing press should have a plan of expansion for a specific period and endeavour to work and achieve progress according to that plan.

Just as other co-operative institutions, co-operative printing presses also have some problems peculiar to them. Some of them have been experiencing difficulties in the matter of getting long-term finance for the purchase of machinery, tools etc. Other difficulties have been expressed such as the difficulty in getting supply of paper and other raw materials. Suggestions have also been made to improve and develop the working of these presses. One suggestion is that printing orders should be secured from the Government at least in cases where the Government press is unable to do the work. A suggestion has also been made that a Federation of the co-operative printing presses in the State should be formed, which will arrange for the procurement and supply of the required printing materials, supply of the required technical advice, etc., and which may possibly act as an agent in getting surplus printing orders from the Government and

distributing such orders to the various co-operative printing presses.

As some of the co-operative printing presses employ a fairly large number of workers, it is inevitable that problems concerning labour will arise from time to time. Such problems should be solved with mutual understanding and goodwill so that cordial relationship is maintained between the management and the workers.

Some of the presses have organised credit societies to cater to the credit needs of the employees and this has, to some extent, encouraged thrift among the members. Some of them are also covered by the Provident Fund and the Employees State Insurance Schemes, which will be of great benefit to the workers in the presses. The need for providing suitable houses for the employees cannot be over emphasised and I hope that co-operative printing presses employing a fairly large number of workers will draw up suitable housing schemes for their workers and try to obtain necessary financial assistance under the various approved housing schemes.

I have referred to some of the problems that face the co-operative printing presses and also made a few suggestions. I am sure that the conference will discuss these and other matters of importance relating to the working of the co-operative printing presses and make concrete suggestions.

With these few words, I have great pleasure in inaugurating this conference.

PRESIDENTIAL ADDRESS

By

Sri T. S. Sivasubramania Chettiar, B.A.,
President, The Coimbatore Co-op. Printing Works, Ltd., Coimbatore.

Friends,

I am grateful to the Tamil Nadu Co-operative Union for having requested me to preside over the First Co-operative Printing Presses Conference.

As you may be aware, the number of printing presses in India is steadily on the increase. There are nearly 25,000 printing presses of which a large percentage are small-size units with a labour strength of about 10 or 15 persons.

In the present situation, on account of the implementation of several development schemes and the consequent expansion of trade, industries and education, the role of the printing industry has become very important. In the modern civilisation, printing service has become a very essential activity.

Co-operative Movement was started fifty five years ago and it has now been considerably diversified and has extended to several useful fields of activity like credit, marketing, housing, weavers, cottage industries etc. There are 14,000 co-operative institutions in our State and there on an average 1,500 institutions in each district. In order to canalise the printing demand to co-operative channel, in 1919 a pioneer attempt was made and a co-operative printing press was started at Madras. Thereafter, eight institutions have been started and a few more are contemplated. Most of the Co-operative Presses in our State are of the Consumer type. For the successful running of a Co-operative Press, two important conditions must be satisfied:—(i) there should be perfect co-operation between members, managements and the workers (ii) the Co-operative societies should make it a point to give their entire printing custom to co-operative presses alone.

Of course, there are a few problems, which confront the customers of Co-operative Printing institutions. Firstly, there is a feeling that Co-operative Press Rates are higher than private presses. Secondly, orders are not executed promptly in co-operative presses. I would like to answer these two points of criticism. Regarding the rate structure, even in advance countries, there is no unified structure and the question bristles with difficulties. Though viewed specifically, the Co-operative Press rates may be high in certain items, the rates may be comparably cheap in certain other items. Secondly, in co-operative establishments, the overheads are higher and the administration costs are therefore, higher. That is the price we will have to pay for working through the Co-operative procedural set-up. Regarding the second problem namely delay, I have to state if co-operative presses could work out an order programme and accept only such orders which could be completed within a target date, then there will be no difficulty. But, generally co-operative societies rush in simultaneously and with the result the press is not in a position to adhere to the time schedule. In this connection, I have to state that there should be planning at both ends by the Printing Press and the customer-societies. The printing press should plan the work orders and execute them according to the schedule. The societies should anticipate the work and intimate the Press well in advance. If there is such a coordination, then much of the delay may be avoided.

I would like to refer to a few problems of Co-operative Printing Presses.

(i) On account of import restrictions, foreign paper is not available. The indigenous production is not equal to demand and, therefore, there is considerable cornering of paper by the trade and besides exhorbitant price increases, the requisite quantity and size of paper are not available. Therefore, I request the Registrar to address the Government and make necessary arrangements and obtain the paper requirements of Co-operative Presses at a cheap price directly from the mills by pressing for a quota system.

(ii) I request the Registrar to the Government for the grant of necessary import licences to import requisite printing machinery from abroad.

(iii) Co-operative Press find it difficult to purchase machinery, paper and other raw materials on account of paucity of funds. I request that Government may be addressed to provide financial assistance like long-term loans and subsidies treating the Co-operative Presses as on a par with industrial co-operatives.

(iv) As there is considerable scope for improving the Co-operative Presses, I suggest that facilities should be given to the Managers, Secretaries and others to study big printing establishments in the public and private sectors.

(v) I make a special appeal to all co-operative institutions to give their entire printing custom to Co-operative Presses. At present, the co-operative share is not very encouraging.

(vi) At present, the surplus orders of Government Presses are given to private presses on a tender system. No concessions are shown to Co-operative Presses. I request the Registrar to address the Government to issue instructions to accept the tenders of co-operative presses even though the rates may be 10 per cent higher than the lowest tender rate. Such a concession is given to milk co-operatives.

(vii) Co-operative Presses can also take up the printing work of local bodies.

(viii) In order to co-ordinate the activities of the Co-operative Printing Presses in the State and in order to examine and discuss the several problems of Co-operative Presses periodically, it is desirable and necessary to organise a Federation.

The Federation should look-after the interests of its affiliates and in particular should attend to the following tasks.

(a) It should take steps to contact Government, local bodies etc. and try to secure the surplus orders of these institutions to Co-operative Presses and distribute them according to the capacity of the Presses.

(b) It should ascertain the requirements of paper of Co-operative Presses periodically and should try to secure allotments of paper directly from the mills with the assistance of the Registrar and the Governments at the minimum prices and arrange to distribute them to the affiliated societies.

(c) It should arrange to obtain import licenses for import of printing machinery.

(d) Further, it should offer advice and guidance and do all such other things conducive to the betterment of the affiliates.

The Federation should be provided with necessary finance by the affiliates by means of contributions. The Board of the Federation should consist of the representatives of the affiliates and the Registrar of Co-operative societies and the Director of Industries should be the Government representatives on the Board. The Government should place at the disposal of the Federation the services of a Co-operative Sub-Registrar free of cost for a period of three years as an experimental measure. The Federation should be organised at Madras.

I have placed a few suggestions for improving the working of the Co-operative Printing Presses in our State and I hope you will offer your valuable suggestions on this subject at this Conference.

Dr. P. Natesan, General Secretary, Tamil Nadu Co-operative Union proposed a vote of thanks.

Resolutions Passed at the Conference.

1. This Conference resolves to request the Government of India to grant import licences to Co-operative Press to import printing machinery, paper and other requisite materials.

2. This Conference requests the Government to allot a specified quota of the production of the paper factories for the use of co-operative presses.

3. Resolved to request the Government to grant financial assistance upto Rs. 50,000 both in the shape of loans and subsidies on a 50 : 50 basis to such of the

Co-operative Printing Presses that do not have own buildings in order to enable them to put up the premises, with godown facilities.

4. Resolved to request the Government to contribute share capital not exceeding Rs. 50,000 for the Co-operative Presses in order to enable them to purchase modern printing machinery.

5. Resolved to request the Co-operative institutions to give their entire printing custom to the Co-operative Presses in the respective areas.

6. Resolved to request the Government the give the surplus orders of the Government to the respective Co-operative Presses, as per the respective ruling rates of the Presses without calling for tenders.

7. Resolved to request the Government not to insist on security amounts for the printing orders of Government and Local Bodies.

8. Resolved to request the Government to exempt Co-operative presses from the Sales Tax.

9. Resolved to request the Local Bodies, Charitable Endowments to entrust their printing work with the Co-operative Presses.

10. Resolved to request the Government through the Registrar of Co-operative Societies to start a Co-operative Paper Mills in our State.

11. Resolved to organise a Federation of Co-operative Presses in the State. The Federation among other things will (i) obtain financial assistance to the member presses, (ii) secure surplus orders of Government Presses, (iii) secure import licences from Government to import machinery, paper and other raw materials required by the Printing Presses and (iv) act as an advisory body for Co-operative Presses. The headquarters of the Federation shall be at Madras. Resolved to request the Government to sanction adequate financial assistance to the Federation and further to request the Co-operative Press to send one representative each to the Promotional Committee in order to take such steps as may be necessary to organise the Federation.

12. Resolved to request the Government to grant travel fellowships to Managers, Foremen and other workers in order to enable them to undertake study tours of big printing establishments both in and out of India.

13. Resolved to request the Registrar of Co-operative Societies to address the Government and secure facilities for short-term and long-term training courses for the personnel of the Co-operative Printing Presses in the Regional School of Printing Technology.

Silver Jubilee Celebrations of the Coimbatore Co-operative Printing Press.

[The Silver Jubilee celebrations of the Coimbatore Co-operative Printing Press Ltd. was celebrated with great eclat on 19th May 1959 at the premises of the Press, which was gaily decorated. A specially erected Pandal invested the buildings with a festive appearance. Co-operators from Madras, Madhurai, North Arcot, Nilgiris, Salem and other places attended the celebrations. There was a large and distinguished gathering. The function began at 3 p.m. with the bands playing. Sri D. Krishnamurthy Gounder, Vice President, Tamil Nadu Co-operative Union Ltd., hoisted the Co-operative Flag. Sri S. K. Chenniappa Gounder, President, The Coimbatore District Co-operative Central Bank Ltd., hoisted the National Flag. Sri T. M. Narayanaswami Pillai, Vice-Chancellor, Annamalai University inaugurated the celebrations. Sri R. Venkataraman, Minister for Industries, Labour and Co-operation presided over the function. Sri M. Bhakthavatsalam, Minister for Home decorated, Sri T. S. Sivasubramania Chettiar, President, The Coimbatore Co-operative Printing Press Ltd., with *"Ponnadai"* in commemoration of his services to the Society. Dr. P. Natesan, General Secretary, Tamil Nadu Co-operative Union Ltd., and Sri V. Balasundram, I.A.S., Registrar of Co-operative Societies, Madras addressed the meeting. Sri T. S. Sivasubramania Chettiar welcomed the distinguished guests. Sri A. Subramanian, Secretary of the Press presented the Silver Jubilee Report.

The Coimbatore Co-operative Printing Press Ltd., has completed 25 years of useful service. It is one of the finest institutions of its kind. It has 683 members, with a share capital of Rs. 54,590. It has a turnover of Rs. 3.1 lakhs, a reserve of Rs. 56,123—99 and has earned a net profit of Rs. 15,867—27 during the year 1957–58. The Press owns a building of the value of Rs. 1,64,065—49. The Press has a staff of 88. Thus, the Coimbatore Co-operative Printing Press Ltd., is a shining example in the Co-operative printing sector and we wish the institution success in its glorious career, just as it steps into the Golden Jubilee Era of its history.—*Edr.*]

INAUGURAL ADDRESS

Sri T. M. Narayanaswami Pillai who inaugurated the celebrations said that he was happy to inaugurate the Silver Jubilee of the Press which had done excellent work for the past two and half decades. The institution had forged ahead in all aspects, its share capital strength, owned funds, building, machinery and workmanship. Coimbatore is the home district of great leaders like C. S. Rathnasabapathy Mudaliar, R. K. Shunmugham Chettiar, and T. A. Ramalinga Chettiar, of whom T. A. Ramalinga Chettiar was a doyen among co-operators. The Co-operative Movement started more than a century ago in England and had developed into a huge Movement in the Western Countries. In India, the Movement was mostly a rural credit movement. After Independence, the Movement was expanded to other sectors and in the Second Five Year Plan for our State, a sum of Rs. 12 Crores had been set apart for the development of the Movement. It was necessary for the people to co-operate with the Government and to make the Movement a great success.

"Co-operation is a democratic movement. There is no place for party politics in it. All the decisions must be taken by the majority of the members. Further, Co-operation is a State subject. Therefore I am of the opinion that there should be no outside interference in the administration of Co-operative Societies."

PRESIDENTIAL ADDRESS

Sri R. Venkataraman, Minister for Industries, Labour and Co-operation, who presided over the celebrations said that he was very much impressed with the working of the Press and felt glad that the institution had always been working at a profit all the twentyfive years. He hoped that the Consumer type of Printing Presses would occupy an important place in the Co-operative set-up and wished the Co-operative Press a very bright future.

Co-operative Movement in Madras had registered significant progress in several sectors of Co-operative activity and 75 per cent of the villages had been covered. Loans to agriculturists to the tune of Rs. 13½ Crores had been issued by the Co-operatives for the year ended 31st March 1959. It had been planned to cover 100 per cent of the villages and to issue loans to the order of Rs. 16 Crores by the end of the Second Plan Period. Government had set apart Rs. 20 lakhs for providing financial accommodation to Co-operative Housing Societies for the year 1958-59 and the allotment had been increased to Rs. 30 lakhs for the year 1959-60.

Further, Co-operative Movement had registered striking progress in dairying, consumer stores, weavers co-operatives and other fields. Recently, an apex Co-operative Marketing and Supply Society had been started with headquarters at Madras to deal with inter state and foreign marketing of agricultural produce. Arrangements had been made to start an apex Co-operative House Mortgage Bank. The formation and the efficient working of 300 agricultural banks is one of the striking features of our movement. The Government had decided to open 100 banks for each of the years 1959-60 and 1960-61. Co-operative Farming had become the subject of a great debate and whatever it might be, the only way to increase agricultural production was through the co-operative method. He hoped that service co-operatives would be started at first as a precursor for co-operative farming.

HOME MINISTER'S ADDRESS

Sri M. Bhakthavathsalam, Minister for Home then decorated Sri T. S. Sivasubramania Chettiar, with *"Ponnadai"* and eulogised the services of Sri Chettiar. He said that in Co-operative Institutions there should be service mentality and not profit motive and there should not be any employer—employee bickerings.

He further added that co-operation was the only effective instrument to promote the income-earning capacity of the people and to better their living standards. Co-operatives should help the agriculturists and assist them in the matter of increased agricultural production and eradication of poverty. He was glad that Co-operative Movement in Madras had recorded appreciable progress and hoped that the people would take advantage of the facilities offered by co-operation and work with faith and integrity.

REGISTRAR'S ADDRESS.

It gives me great pleasure to participate in the Silver Jubilee Celebrations of your printing works.

The application of the co-operative method to the printing industry began as early as 1919. But it did not make such headway as in other fields of economic activity in which co-operation was introduced particularly in the field of rural credit. After the first co-operative printing works was started in the year 1919 at Madras, the second was started only in 1927, at Tanjore. Yours is one of the two co-operative printing presses started in the year 1933, the other one being Pudukottah Printing Press. For 14 years after your society was started, there has been no activity in this direction in our State till 1947 when the Salem Co-operative Printing Works was registered. Thereafter, two other co-operative printing works were started in our State, at Mathurai and Vellore in the years 1951 and 1953 respectively. To these seven co-operative printing presses in our State, one more was added when a part of the Travancore Cochin State was included in our State consequent on the State re-organisation.

On this occasion of the Silver Jubilee Celebrations of your press, I cannot but refer to the great strides Co-operation has made in our State during recent years, particularly after the commencement of the Second Five Year Plan. Your Press has 508 co-operative societies on its rolls and I am sure many of them are village co-operative societies. The members of these village co-operative societies and other rural people may be aware of the various schemes of the co-operative development, which are now being implemented for their benefit. The major scheme of co-operative development is the one relating to the expansion of credit and its integration with marketing. The scheme aims at covering all the villages in the State by the co-operatives, bringing within their fold atleast half the rural population and giving them credit services to the extent of about Rs. 22½ crores in the last year of the plan period. At the time, the scheme was formulated, the co-operatives had covered only half the number of villages in the State, brought within their fold only 1/5 of the rural population, and were providing credit to the extent of only Rs. 5 crores annually, representing roughly 10 per cent of the total annual credit requirements of the rural population. You will thus see that in the matter of coverage of villages and rural population, the aim of the plan is to increase the achievement of the past years two fold and with regard to supply of credit three fold. The co-operatives have now covered 85 per cent of the villages and 36 per cent of the rural population. The credit supplied for production and marketing amounted to Rs. 14 crores during the 3rd year of the plan period. With the progress achieved so far, we can confidently predict that the targets fixed under the plan could be reached without much difficulty.

I need not refer in detail to the working of the various institutions, which have made this progress possible, because you are only too familiar with the agricultural banks, rural banks, land mortgage banks and our time honoured village credit societies. I need not also refer here to the current controversy over the comparative merits and demerits of the so called large-sized societies and small-sized societies. I would only mention in this connection that whether the society is big or small what is important here is, that they are institutions intended for rendering certain economic services to the people of ordinary means, most of the rural population come under this category and this service they must render promptly, regularly, efficiently and at a reasonable cost. You should have by this time become very familiar with the word service co-operative. Almost every day you are reading about it in the news papers. A service co-operative is not an entirely new kind of co-operative institution in our State. In essence, all our village co-operative societies are service co-operatives. The service they render is the supply of credit. Similarly, the agricultural banks and the rural banks are also service co-operatives, rendering the same service in a wider area in a more extensive scale. So also the marketing societies, which give marketing service to their members in addition to the supply of credit to enable them to hold over the produce for a better market. Thus, we already have service co-operatives in our State, but what is required is to develop the variety and the quality of the services rendered by them. In other words, they should render more comprehensive service to a large number of people in all villages. It is not enough if the various kinds of rural credit institutions serve their members only by supplying credit. They should arrange to produce or procure and supply seeds, manure, agricultural implements and other requisites of the members. They should also undertake, where feasible, certain other common services to the agriculturists. For example, a society can maintain and hire out sprayers and pesticides. It can provide irrigation facilities by sinking common wells and installing pump sets. Such services will be of real help to persons of small means. What is envisaged is, that short of engaging itself directly in farming operations, the service co-operative is expected to function in such a way as to enable its members to look to it for the satisfaction of every kind of service to aid agricultural production. I consider it appropriate to emphasize this aspect in a gathering such as this where persons associated with the working of the rural co-operative institutions directly or indirectly, are present.

Having referred to service co-operatives, I would like to say a few words about Co-operative Farming. I refer to Co-operative joint farming societies, where the owners pool their lands for joint farming, and the collective farming societies where the workers join together to take lands on lease or assignment for collective cultivation. Service co-operative is the first stage and the farming co-operative is the second stage in the evolution of agricultural co-operation. When

people have learnt to work together to provide for themselves services in common, it should not be difficult for them to advance one more stage in the process of working together i.e. by pooling their lands for common cultivation. There is an apprehension in the minds of some people that the co-operative joint farming societies might do away with the ownership of property. It is not so. In co-operative joint farming societies, ownership of lands is given definite recognition and the net income is divided in proportion to the extent or the value of the land pooled by each member. Another important aspect to be remembered is that such societies are formed on a purely voluntary basis only, with no element of compulsion or coercion. These co-operative organisations are intended purely to secure the advantages of large scale cultivation without doing away with the right of ownership of the small holders. There are now 8 co-operative joint farming societies in our State, and 1534 acres of land have been pooled by their members for common cultivation. Besides, there are 10 societies known as Sarvodaya Co-operative Societies in the Gramdhan villages of the Madurai District, and these societies are in a sense, co-operative collective farming societies. The owners have gifted their lands to the societies and the societies now hold the lands in common, for the benefit of the village community.

On the side of housing, Co-operation has made equally good progress. There are many schemes of co-operative housing, such as the Low Income Group Housing Scheme, State Urban Housing Scheme, Rural Housing Scheme, and the Subsidized Industrial Housing Scheme, and now another scheme known as Middle Income Group Housing Scheme is to be introduced shortly, with funds obtained by the State Government from the Life Insurance Corporation of India. To an audience in Coimbatore, I need hardly dialate on the housing schemes, as there are a number of co-operative housing societies in the city as well as other important urban centers of the district. In the field of housing while good progress has been achieved under the schemes relating to Low Income Group Housing and the State Urban Housing not much headway has been made in the field of subsidised Industrial Housing through Co-operative Societies. Coimbatore and other big towns in the district contain a large industrial population and there is a vast scope for the implementation of Co-operative Industrial Housing Schemes. I would like to exhort the industrialists of Coimbatore to take a more active interest in the implementation of the Subsidised Industrial Housing Schemes on Co-operative lines.

Having referred to certain salient features in the expansion of the co-operative movement in various directions, I would now refer particularly to the progress made by the Co-operative Printing presses in our State. There are 8 Co-operative Printing Presses with 2655 members (both societies and individuals). They have a paid up share capital of Rs 2.30 lakhs and they own machinery worth Rs. 3.68 lakhs. They executed printing, binding and other works to the value of Rs. 6 lakhs per annum.

Co-operative Printing presses in our State have been formed as consumers organisations. With the phenominal expansion of the co-operative movement, the growth in the number of societies and the variety and volume of their transactions, there is bound to be a corresponding increase in the demand for various kinds of books and forms, stationery etc. The many sided growth of the movement must naturally give increased business to the co-operative printing presses. I consider that each district must have atleast one co-operative printing press to serve the needs of all the co-operative institutions in that district. I hope that in each of the districts in which there is no co-operative printing press, steps will be taken to form one.

Coming now to your society, I am happy to see that you have a uniform record of good service for the last 25 years. Started in 1933 with 31 members and with a paid up share capital of Rs. 2,160 you have maintained a steady progress, reaching a membership of about 700 and a share capital of about Rs. 55,000 while the value of works executed in the first year amounted to Rs. 3,500 you are now able to turn out work to the value of about Rs. 2½ lakhs. Your press has earned a name for the fine quality of printing and binding and every one has been impressed by the excellent standard and workmanship, which you have been able to maintain. Your press stands as an example for other Co-operative Printing Presses in the State and I congratulate the Board of Management, present as well as the past, and the officers and the workers who have contributed to the growth and efficient working of the press. I have no doubt, that this press under the able guidance of its President, Sri Sivasubramania Chettiar, who is an experienced and enthusiastic co-operator, will growfrom strength to strength and continue to render useful service to the co-operatives and the general public.

SPECIAL ADDRESS

Dr. P. Natesan, President, Central Co-operative Printing Works Ltd., Madras said that Co-operative Printing Presses were mostly of the consumer type and there were about 8 such presses in our State.

There were certain essential requisites for a good and efficient co-operative Printing Press. Firstly, it should have adequate share capital and adequate borrowing power to raise requisite finance. Secondly, it should have a good building, with godown facilities. Last, but not the least the Co-operative institutions should give their entire patronage to the Co-operative Presses. The Co-operative Press could only attract custom and expand the business, only when they could offer first class printing service to their clientele. The staff and employees of the Press should work devotedly and build up the prosperity of the Press. Unlike in the private press sector, it was a happy feature that Co-operative Press Workers did not associate themselves with Employee's Unions led by outsiders. Co-operative Presses were after all Service Institutions and they were as much interested in the welfare of the workers as in the welfare of the members.

It would be a great advantage if the Government extended financial assistance to the Co-operative Presses. The Government should give financial help in the shape of subsidy-cum-loans for the construction of buildings

with godowns, purchase of machinery etc. for the Co-operative Presses. It would be desirable to establish a Federation to integrate and coordinate the activities of Co-operative Presses.

He appealed to the Co-operators to take steps to organise a Co-operative Paper Mills at a cost of Rs. 5 Crores in some suitable place as a part of the processing sector on the lines of Co-operative Sugar Mills, Spinning Mills etc. The establishment of Paper Mills on a Co-operative basis was bound to have very beneficial effects on the economy of the State; it would help to save foreign exchange at present utilised in the import of paper; it would give a new momentum to the industrial economy; it would also increase the opportunities for gainful employment and he hoped that the Registrar would take necessary steps to organise a Paper Mills in the Co-operative Sector.

EMPLOYEES TRIBUTE TO THE PRESIDENT

After the investiture of *"Ponnadai"* by Sri M. Bhakthavathsalam, a representative of the employees of the Press presented an address to Sri T. S. Sivasubramania Chettiar, President of the Press. He also presented a walking stick encased in a silver cover as a token of their affection and regard to Sri Chettiar. Sri Chettiar was visibly moved and broke into affectionate tears. It was a moving scene and Dr. P. Natesan commented upon it as a "Divine Spectacle" and highlighted the special and endearing relations between the Management and Labour in the Co-operative Movement.

UNVEILING OF PORTRAITS

Messrs. M. S. Palaniappa Mudaliar, S. K. Chenniappa Gounder, S. P. Muthukumaraswami Gounder, T. R. Sundaram Pillai, D. K. Y. M. Ansari, Dr. T. V. Sivanandam unveiled the portraits of K. Raghavendra Rao, T. S. Sivasubramania Chettiar, T. T. R. Pillai, M. S. PalaniappaMudaliar, K.N. Palaniswami Gounder and N. Palani Gounder respectively.

AWARDS AND PRESENTS

In commemoration of the Jubilee, the Staff of the Coimbator Co-operative Press Ltd., were given a bonus of one months pay and the Directors were presented with Silver Plates and Leather Suit cases. A special and attractive Silver Jubilee Souvenir was published on the occasion.

Sri T. S. Arunachalam Chettiar, the Convener, Silver Jubilee Celebrations Committee proposed a vote of thanks.

G.O.'s and Circulars

AGRICULTURAL BANKS—CONSTRUCTION OF BUILDINGS—GOVERNMENT ASSISTANCE

Copy of G.O. Ms. No. 1177 (Co-op.) dated 16th March 1959, Department of Industries, Labour and Co-operation, Government of Madras.

ABSTRACT

Co-operation—Scheme of Integrated Rural Credit—Agricultural Banks—Construction of the Office Buildings—Financial assistance—Proposals approved.

READ :—

From the Registrar of Co-operative Societies letter No. 169463/58 A-2, dated 21-9-1958.

ORDER:

The Government approve the proposals of the Registrar of Co-operative Societies that select agricultural banks may be given during 1959-60 financial assistance partly as loan and partly as subsidy to construct their own office buildings. Sanction is accorded to an expenditure of Rs. 5 lakhs (Rupees five lakhs only) towards the grant of financial assistance to 50 agricultural banks to be selected by the Registrar of Co-operative Societies during 1959-60. The maximum amount of assistance that will be given to each bank will be Rs. 10,000 (Rupees ten thousand only) or the cost of the buildings, whichever is less. One-fourth of this sum will be given as subsidy and the remaining three-fourths as loan. The buildings should be equipped with strong rooms for the safe custody of jewels and other valuables.

The loan will be repayable in 20 years. The loan will be charged interest provisionally at 4½ per cent per annum, subject to revision subsequently, if necessary.

The expenditure relating to subsidy should be debited to the head "42. Co-operation—b. Superintendence. E. Scheme for the development of Integrated Rural Credit and Marketing—II. Cost of Managerial Staff employed by co-operative Societies 4. subsidies to co-operative societies".

The expenditure relating to loan should be debited to the head "Loans to Local Funds, Private Parties, etc.—f. Miscellaneous loans and advances—B. Loans to co-operative societies and Land Mortgage Banks, I. Loans for schemes for the Five Year Plan. Loans to Agricultural Banks.

The scheme is sanctioned, subject to the expenditure being voted by the Legislature. The Registrar may, therefore, go ahead within the preliminaries for implementing the scheme; but no expenditure should actually be incurred before 1st April 1959.

This order issues with the concurrence of the Finance Department—Vide their U. O. No. 26495 EA/59-1, dated 13-3-1959.

(True Copy.)

SMALL-SIZED SOCIETIES—SUBSIDY FOR STAFF

Copy of G.O. Ms. No. 1301 (Co-op.) dated 23rd March 1959 from the Department of Industries, Labour and Co-operation.

SUB: Co-operation—Scheme of Integrated Rural Credit—Development of small-sized societies—Payment of subsidy for employment of paid staff—sanctioned.

READ AGAIN :—

G.O. Ms. No. 3912, Industries, Labour and Co-operation dated 28-11-1957.

G.O. Ms. No. 1714, Industries, Labour and Co-operation dated 3rd May 1958.

READ ALSO :—

From the Registrar of Co-operative Societies Letter No. 169462/58-A2 dated 21-9-1958.

ORDER;

In the G. Os. read above, the Government approved, a scheme for the payment of a subsidy on a graded scale for a period of 3 years to 500 small-sized credit societies to be selected during each of the years 1957-58 and 1958-59 in order to help them to employ paid managerial staff to revitalise them and develop their activities. Sanction is now accorded to the grant of subsidy to 500 additional small-sized societies to be selected by the Registrar of Co-operative Societies during 1959-60 to assist them to employ paid managerial staff. Each society will be paid a subsidy not exceeding a sum of Rs. 150 per annum in the first year, Rs. 100 per annum in the second year and Rs. 50 per annum in the third year.

One half of the expenditure will be given by the National Co-operative Development and Warehousing Board as a free grant and the other half will be met from State funds. The grant from the Board will be credited to "XXXI. Co-operation—b. Subventions from the Union Government for development schemes—Grant from the Union Government for development schemes included in the Second Five Year Plan—(i) integrated Rural Credit and Marketing". The expenditure should be debited to "42 Co-operation—b. Superintendence—E. Scheme for the development of Integrated Rural Credit and Marketing-II. cost of Managerial staff—employment by the co-operative societies—4. subsidies to co-operative societies".

The Registrar is informed that the scheme is sanctioned subject to the expenditure being voted by the Legislature. He may proceed with preliminaries but expenditure should actually be incurred only after 1-4-1959.

This order issues with the concurrence of the Finance Department—Vide their U.O. No. 29267-EA/59-1 dated the 20th March '59.

(By Order of the Governor)

T. SRINIVASAN,

Deputy Secretary to Government.

(True Copy.)

STAMP DUTY—ACQUITTANCE OF EMPLOYEES—REGARDING

Circular of the Registrar of Co-operative Societies, Madras

Sri V. BALASUNDRAM, I.A.S.,

Registrar

Rc. No. 66533/57. L.I. Dated, 25—4—59.

SUB : Stamp duty—Acquittance of employees of co operative societies, who are non-members—Stamp duty—

REF : Circular No. R. Dis. 8372/36 dated 24-2-37.

In the circular cited above the opinion of the Board of Revenue regarding exemption from stamp duty of acquittances of employees of co-operative societies was communicated. It was stated therein that all the pay acquittance of employees of societies who are not members are not exempted from stamp duty; if, however, the employee, was an officer an defined under Section 2 (e) of the Co-operative Societies Act he was, of course, exempted. It the employee was neither a member nor an officer stamp duty had to be collected.

As a result of an objection raised in audit by the Chief Audit Officer, the matter has been reconsidered in consultation with the State Government Pleader, Madras. To be eligible for the exemption under Section 30 (2) (a) of the Co-operative Societies Act VI of 1933, the following conditions should be satisfied :—

(1) the instruments should be executed by an officer on behalf of the society and

(2) it should relate to the business of the society.

As the receipt for pay given by an "officer of the society" is given for services rendered by him as an officer in his individual capacity and not" as an officer of the society in furtherance of the business of the society and the Secretary pays himself in his individual capacity, the receipt given by him is in no sense an official act. It is a personal acquittance.

The receipts granted by such persons should be stamped henceforth, i.e. acquittances for pay drawn by all employees of a co-operative society whether an officer or not should be stamped according to the rules. All the societies may be instructed to follow the revised procedure henceforth.

V. BALASUNDRAM,
Registrar.

LINK UP OF SHORT—TERM AND LONG—TERM CREDIT INSTITUTIONS

Circular of The Registrar of Co-operative Societies, Madras-5.

SRI V. BALASUNDRAM I.A.S.

Registrar.

Rc. No. 149004/58 J. Dated, 22—4—59.

SUB : Land Mortgage Banks—Recommendation of the Technical Committee on land mortgage banks—Establishment of close relationship between the Executive and Administrative staff of Short term, Medium Term and Long term Credit institutions.

In pursuance of the recommendations of the Conference on Marketing and Co-operation convened by the Ministry of Food and Agriculture, Government of India, at Hyderabad in November 1955, the Reserve Bank of India constituted a Technical Committee to study the problems confronting the land mortgage banks and to report on the measures to be taken in this regard. The Technical Committee first met on 22-7-1957 in the Agricultural Credit Department, Reserve Bank of India, Bombay and passed several recommendations on land mortgage banks. One of the recommendation dealt with the establishment of close relationship by exchange of information and other means between the executive and the administrative staff of the two types of institutions viz. Madras Central Co-operative Land Mortgage Bank and the land mortgage banks (Long term credit) on the one part and the Madras State Co-operative Bank and the Central Banks (Short Term and Medium Term credit) on the other part. The recommendation is as follows :—

"...A close relationship should be established by exchange of information and other means between the Executive and administrative staff of the two types of institutions..."

The recommendation has been accepted by the State Government. Government have also desired that this recommendation might be commended to the institutions concerned for adoption. The Registrar, therefore, suggests that the Madras State Co-operative Bank, the Madras Central Co-operative Land Mortgage Bank, the Co-operative Central Banks and the primary land mortgage banks in the State may take suitable steps to implement the recommendations of the Technical Committee and report the action taken soon.

V. BALASUNDRAM,
Registrar.

STATE SHARE CAPITAL IN AGRICULTURAL BANKS —RETIREMENT PROCEDURE

Circular of the Registrar of Co-operative Societies, Madras.
SRI A. PALANIAPPA MUDALIAR, M.A., I.A.S., (Retd.)
Registrar.

Rc. 209691/56 A-2.

Dated, 23-2-1959.

SUB: State participation in the share capital of Agricultural Banks—Retirement of share capital contributed by Government—Instructions Issued.

Under the scheme of integrated credit, Government share capital is invested in the Agricultural Banks subject to a maximum of Rs. 10,000 each. The question when the share capital invested in the Agricultural Banks should be retired was examined in consultation with select central banks and the Madras State Co-operative Bank and the following instructions are issued.

2. An agricultural bank is expected to serve ultimately about 1000 families in its area. In the initial stages, some banks were formed with wider area of operations and they may serve about 2000 families. At the rate of Rs.125 per family, which is the average annual loan requirements of an agriculturists family according to the Rural Credit Survey Committee, an agricultural bank which is expected to serve about 2000 families will have to issue loans to the extent of about Rs. 2.5 lakhs. It may require another sum of Rs. 50,000 for other business and for keeping fluid money to meet demands from depositors and carry on its business. The Bank will thus have to find about Rs. 3 lakhs. To raise this amount the bank should have a share capital and Reserve Fund of about Rs. 40,000 If the State derived share capital of Rs. 10,000 is deducted from this amount, the optimum level of the share capital paid up by the members alone will be about Rs. 30,000. Until the members share capital reaches the limit of Rs. 30,000 the State derived share capital will have to be retained. Retirement of the State derived share capital may commence when the total share capital of the agricultural banks (members' share capital plus Government share capital) exceeds the limit of Rs. 40,000 and is maintained for not less than a year. The actual amount to be retired will be the amount in excess of Rs. 40,000 on the last day of the co-operative year. This process will have to be continued till the entire state derived share capital is retired. The amount of share capital retired may be rounded off to the nearest hundred to facilitate calculation of dividend payable.

4. The Central Banks are requested to review the position of the share capital of those agricultural banks in which Government share capital has been invested during the month of July of every year, and issue instructions to those agricultural banks which hold share capital in excess of the limit of Rs. 40,000 to retire such portion as is in excess. The amount relating to the investment and to the retirement of Government share capital, dividend realised etc. should be maintained separately.

A. PALANIAPPAN,
Registrar.

AGRICULTURAL BANKS—BY-LAWS—AMENDMENT PROCEDURE

Circular of the Registrar of Co-operative Societies, Madras.
SRI A. PALANIAPPA MUDALIAR, M.A., I.A.S., (Retd.)
Registrar

Rc. No. 226201/57-A-2.

Dated, 22-2—1959.

SUB: Co-operative Agricultural Banks and Rural Banks—Amendment proposals to be passed through central banks—instructions issued.

REF: Registrar's Circular R.C. 226201/57 A. 2 dated 29-6-1958.

Ths attention of the Deputy Registrars on general duty and the Special Deputy Registrars (Credit and Marketing) is invited to the instructions issued in the Registrar's Circular cited according to which proposals from the agricultural banks and the Rural Banks for amendment to their by-laws should be sent to the registering authority through the supervising unions and the central banks. According to rule XXIV (i) of the rules framed under the Madras Co-operative Societies Act, every amendment should sent to the Registrar for registration within two months from the date of the general body meeting in which the amendment was passed. If the procedure suggested in the circular cited is followed, the amendmend proposals may not reach the Deputy Registrars within the time limit of two months prescribed in the rule. To obviate this difficulty, it is suggested that the societies may be advised to send an advance copy of the amendment proposal direct to the Deputy Registrar, who is the Registering authority. The Deputy Registrars on general duty and the Special Deputy Registrars (Credit and Marketing) are requested to issue necessary instructions in this regard to the Agricultural Banks and the Rural Banks in their charge.

A. HIRUDAYASWAMY,
for Registrar.

News and Notes

North Arcot District Co-operative Motor Transport Society

The North Arcot District Co-operative Motor Transport Society for Ex-Servicemen had purchased a new Bus and it was put on the roads at a function by Sri Bhaskara Thondaman, I.A.S., Collector of North Arcot on 23rd April '59. The institution was started in 1947 and had a membership of 71, a share capital of Rs. 45,434. It has a fleet of 19 lorries and 9 buses. The recent addition of the bus would contribute to the expansion hf the society's activities. P. S. Rajagopal Naldu, M. P., V. R. Seethapathy, Municipal Chairman, V.S. Venkatachari, Personal Assistant to the Collector and other prominent members of the public are associated in the five-man Board of Management of the Society.

Sivaganga Co-operative Stores

At a general body meeting of the Sivaganga Co-operative Stores, Ltd.. Sri V. Nallaswami Pillai, presiding, a resolution was adopted introducing credit sales to the Government servants and other monthly salaried employees.

New Board for Nilgiris Dist. Co-op. Central Bank

At a general body meeting held on 29th April 1959, the following were elected as the directors of the Nilgiris Co-operative Central Bank :—

Sri T. B. Lingam—*President.*
Sri B.K. Bella Gowder—*Vice-President.*
Sri N. Bella Gowder,
Sri A. Salai Gowder,
Sri T. Karcha Gowder,
Sri M. Ajja Gowder,
Sri K.N. Kari Gowder,
Sri B. Hala Gowder,
Sri M.K. Nanja Gowder, and
Sri L. N. Chikkiah Gowder,
—*Directors.*

Business Conference of Tirunelveli District Co-op. Central Bank.

At the 37th Business Conference of the Tirunelveli District Co-operative Central Bank, Ltd., Sri M.D.K. Ramalinga Mudaliar presiding, Ottapidaram and Kovilpatti Blocks were selected for full finance scheme, and six Agricultural Banks were selected for the construction of buildings. The Conference took several other decisions regarding controlled credit scheme, rectification of the working of rural credit societies and fixed Rs. 84 lakhs for short-term loan and Rs. 10 lakhs for medium-term loans as targets for the year 1959-60.

Chintamaniperi Co-op. Tenant Farming Society

The Chintamaniperi Co-operative Tenant Farming Society, Ltd , in Tirunelveli District has recorded good progress. The Society which was started in 19-10-1958 has 128 tenants as members and has collected a share capital of Rs, 2,300. It has taken 275 acres on lease from two Devasthanams. It has produced 486 Kottahs of paddy as against 319 Kottahs raised during the previous year. It has now taken 24 acres for joint farming.

Sri Madhava Rao Anwari's Appeal

Sri Madhavarao, Anwari, President, Hyderabad Central Co-operative Union, addressing a Conference of Agricultural Credit Societies at Hyderabad on 5th May 59 appealed for a liberal approach in the grant of loans to the deserving and needy agriculturists. Messrs A. H. Venkatrao, Jagan Mohan Reddy, E. V. Ram Reddy and others participated in the Conference.

Courtesy Week at Tirupur Co-op. Stores

Under the auspices of the Tirupur Co-operative Stores, the "Courtesy Week" was celebrated from 25th to 30th instant. In connection with the Week, a public meeting was held on 30th May '59 in the Nanjappa High School, Mr. K. N. Palaniswamy Gounder, M.L.A., presiding.

Mr. S. Subramaniam, Municipal Councillor, hoisted the Co-operative Flag. R.V.E. Venkatachalam, Secretary of the Stores, welcomed one and all. Messrs K. C. Muthusamy Gounder, N. A. Kuppuswamy and K. N. Ramaswamy spoke on the occasion. With a vote of thanks by Mr. K. Sankaralingam Pillai, the function came to a close.

Working Group on Co-op. Farming

The Government of India have decided to set up a working group with Mr. S. Nijalingappa as Chairman to help formulation of a programme to ensure the availability of financial and other facilities, technical knowledge and guidance to those who voluntarily decide to establish joint farming societies in the country.

The terms of reference of the working group, according to a Press Note issued by the Ministry of Community Development and Co-operation (Department of Co-operation) are:

(1) To examine the types and methods of organisation and management of joint farming societies, with special reference to preparatory work, model by-laws and registration, management, mobilisation and fuller use of man power, cattle and other local resources, measures necessary for the setting up of cottage and other subsidiary industries for increasing employment, and any other measures necessary for the preservation and maintenance of individual initiative and at the same time fostering close contact, social cohesion and mutual obligation.

(2) To assess financial requirements and suggest how these should be met :

(3) To assess the requirements of administrative, supervisory and technical personnel at various levels:

(4) To suggest arrangements for training of members, office-bearers, managers and also administrative supervisory and technical staff and

(5) To recommend any other necessary measures to promote the programme of joint co-operative farming.

The group is to submit its report within two months from the date of its formation. In the course of its work, it might undertake tours and record evidence of individuals and co-operative societies.

Besides the Chairman, the group will have as its members. Dr. Ram Subhag Singh, M. P., Sirdar Gurbaksh Singh, (President, Progressive Workers Co-operative Farming Saciety, Khempur, U.P.) Mr. V. K. Rao, (Joint Secretary, Planning Commission, Mr. B. D. Pande, (Development Commissioner, Bihar), Dr. A. U. Sheikh, Registrar of Co-operative Societies, Bombay State), Dr. J.S. Patel, (Adviser, Agriculture Department of Community Development), Mr. V. M. Jakhade, (Director of Rural Economics, Reserve Bank of India), and Mr. M.P. Bhargava, (Additional Co-operation Commissioner, Department of Co-operation), Member Secretary.

Obituary

We regret to record the death of Sri K. Bashyam, former Minister of the Madras Government and a leading Advocate of the Madras Bar at his residence in Alwarpet on 30-4-1959. He was 77 and is survived by his wife. Sri K. Bashyam was an outstanding figure in the public life of Madras and he was in the thick of freedom struggle. He took an active part in the Madras Corporation, Legislature and the Senate of Madras and Annamalai Universities. As Law Minister, he was responsible for the initiation of the separation of the Executive from the Judiciary. He was a great enthusiast in Co-operation and his role in the promotion of the Co-operative Movement in Madras was praiseworthy. He was the General Secretary, Madras State Co-operative Union from 1942-1944. He was also associated with the Madras State Co-operative Bank, the Madras Central Land Mortgage Bank, the South India Co-operative Life Insurance Society and other organisations. He was a member of the Vijayaraghavachari Committee on Co-operation. He was the author of the famous "Commentaries on the Negotiable Instruments Act." May his soul rest in peace.

Book Review

"THE BOMBAY CO-OPERATOR" Issued by the Bombay State Co-operative Union, Bombay, Fortnightly, Vol. I, No. 1, 16th May 1959. *Editor : Dhiraylal D. Shah.*

We warmly welcome the decision taken by the Bombay State Co-operative Union, Bombay to convert the cyclostyled monthly Co-operative News Bulletin into a fornightly Journal called "The Bombay Co-operator." In the words of Sri Vaikunth L. Mehta, "The new Journal will, however, not be merely a purveyor of news. It will reproduce speeches and statements and give publicity to views as well as news." We are further happy to note that in the columns of "The Bombay Co-operator" Co-operative News not only from Bombay State but from all over the country will be covered". We wish the Journal success in its mission at a time, when momentous changes are taking place, especially in the field of co-operation. We are sure that the journal, with its essentially All-India outlook would become an effective and responsible spokesman of the Co-operative Movement in India and strive relentlessly and valiantly in upholding the basic principles of co-operative democracy.

C. M. JANARTHANAM.

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