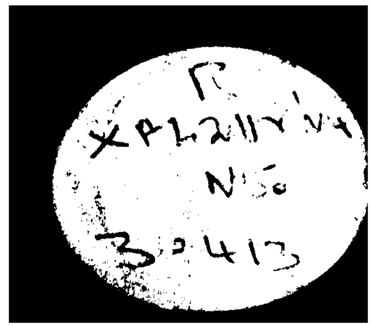
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Co-operative Societies
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PART A.

CHAPTER I.

General Progress of the Co-operative Movement.

1. *Review of progress.*—While opening the Conference of the Officers of the Co-operative Department held in March 1949, the then Premier of the Province, the Hon'ble Sri O. P. Ramaswami Reddiar observed : "Co-operation has a philosophy of life, and a mission of its own. It tries to reconcile self-help and other help. It is the golden mean between Capitalism and Communism. It retains the individual freedom of the former and encourages the joint action of the latter". He added that the time had come when co-operation should extend its scope to different stages of economic activity such as production, consumption and distribution. The recent developments of the co-operative movement indicated in this report will show that every attempt has been made to attain these objectives of co-operation and establish a Co-operative ~~Commonwealth.~~ Government continued to support the movement actively and utilized the services of co-operative organizations to an increasing extent in their endeavours to put down black-marketing and ensure an equitable distribution of controlled commodities. When controls over mill-cloth and yarn were reimposed in July 1948, Government entrusted their entire distribution to co-operative organizations until the Textile Department was reconstituted and the system of licensing the ordinary channels of trade was reorganized. Realizing that the magnitude of this business far exceeded the ordinary resources of the co-operative financing banks they provided the necessary funds for the purpose. In August 1948, Government transferred the work of distribution of groundnut cakes from the Agricultural Department to the co-operative movement. This was another step taken to democratize the distribution of controlled articles. It was backed by a subsidy of 15 per cent of the cost of the groundnut cakes to enable the societies to distribute them to agriculturists at prices fixed by Government. Unfortunately, groundnut cakes were decontrolled in January 1949. When Prohibition was introduced in the remaining nine districts, and the entire Province went dry on 2nd October 1948, Government transferred the ameliorative work connected with Prohibition to this Department, and utilized co-operative societies in larger measure for providing employment to toddy tappers thrown out of work and for improving the economic

conditions of the ex-addicts to drink. To strengthen the co-operative movement in the economically backward tract of the Rayalaseema (Cuddapah, Kurnool, Bellary, Anantapur and Chittoor districts) Government sanctioned a subsidy of Rs. 1·62 lakhs to the Central Banks in these districts for wiping off their bad and doubtful debts, and another Rs. 71,680 to enable them to reduce the rate of interest on short and medium term loans given in the area to a rate of 5 per cent per annum. They also sanctioned a sum of Rs. 6·75 lakhs to the Central Land Mortgage Bank to enable it to provide long-term loans to agriculturists in the Rayalaseema at a reduced rate of 4 per cent interest per annum. More than all, Government provided a subsidy of Rs. 1·51 lakhs per year for two years to all the 31 Central Banks in the Province to help them to entertain more supervising staff to organize more rural credit societies so as to cover 50 per cent of the villages in the Province and enrol 30 per cent of the population as well as to reorganize existing rural credit societies so as to undertake more activities than credit.

With the merger of the Pudukkottai State in this Province, the administrative control of the societies in that area was transferred to this Department. The administrative control of the Producers-cum-Consumers' Societies in the Malabar district continued to vest with the Collector of the district. The remaining societies were under the control of this Department. Including the 123 societies in the Pudukkottai State, there were in all 19,056 co-operative societies in the Province at the beginning of the year. Two thousand four hundred and sixteen new societies, chiefly rural credit societies, were registered during the year under report as against 1,253 societies in the previous year. The registration of 201 societies was cancelled. On 30th June 1949, therefore, there were 21,271 societies under the administrative control of this Department. Excluding 475 societies which had not commenced work by the end of the year, there were 20,796 societies functioning during the year with a membership of 28·81 lakhs. Their paid-up share capital stood at Rs. 926·34 lakhs. Ten years ago, on 30th June 1939, there were 13,759 societies with a paid-up share capital of Rs. 246·84 lakhs. While the number of societies during the ten years increased by 50 per cent the capital subscribed by members increased by more than 350 per cent. The total working capital of all the societies which was Rs. 5,660·33 lakhs at the end of the previous year rose to Rs. 7,103·55 lakhs at the end of the year. The borrowings of all the societies outstanding at the end of the year were Rs. 53·15 crores as against Rs. 41·87 crores at the end of the previous year. Of these, a sum of Rs. 4·44 crores were due to Government. The total Reserve Fund of all the societies stood at Rs. 4·40 crores. The total divisible profits earned by all the societies during the year were Rs. 168·31 lakhs, while the net loss sustained by some amounted to Rs. 63·52 lakhs. The losses were chiefly in rural credit societies, rural co-operative stores and weavers' societies.

2. *Co-operative credit—(a) Central financing institutions.*—The Madras Provincial Co-operative Bank and the District Co-operative Central Banks were confronted with an unprecedented demand for funds from the societies affiliated to them, and the year was one when the money market was getting tight. The procurement and distribution of foodgrains, mill-cloth, and yarn by co-operatives on an extensive scale required large funds which could not be provided from the normal resources of central financing institutions. Government provided the additional funds needed both directly and indirectly. They gave a direct loan of Rs. 240 lakhs to the Provincial Bank and obtained for it another Rs. 2 crores from the Imperial Bank of India on their own guarantee. They gave Rs. 32 lakhs more to five Central Banks. The Madras Provincial Co-operative Bank disbursed loans and cash credits to the District Central Banks to the extent of Rs. 784 lakhs as against Rs. 435 lakhs in the previous year. The District Central Banks in their turn issued loans to the tune of Rs. 4,743·62 lakhs to their affiliated societies while the total amount disbursed in the previous year was only Rs. 3,314·47 lakhs. Though a major portion of the loans disbursed by the Central Banks was for the procurement and distribution of controlled commodities by consumers' and weavers' societies, they did not fail to meet in full measure the demands of the agricultural credit societies and the marketing societies whose business required larger funds. These two types of societies absorbed nearly Rs. 947 lakhs as against a little over Rs. 800 lakhs in the previous year.

The overdues in Central Banks increased slightly during the year. The percentage of demand to balance under principal at the end of the year rose to 5·27 from 5·05 in the previous year. I am, however, glad to report that the five Central Banks at Coimbatore, Mathurai, Salem, Tirunelveli and Tiruchirappalli again recorded nil balance at the end of the year, and that the arrears under interest in all the Central Banks showed improvement.

(*b*) *Primary credit institutions*—(i) *Agricultural credit societies.*—As a result of the introduction of the scheme for organizing more rural credit societies and reorganizing existing agricultural credit societies, the number of rural credit societies and their volume of business increased considerably. One thousand eight hundred and seventy-five new village credit societies were registered during the year of which 787 societies were organized since 1st February 1949, the date on which the reorganization scheme was launched. Their membership increased by two lakhs, their paid-up share capital by Rs. 30 lakhs and their deposits by Rs. 3 lakhs. The borrowings from the financing banks also increased by nearly Rs. 100 lakhs. The loans issued to members during the year were Rs. 496·10 lakhs as against Rs. 440 lakhs in the previous year. Nearly 95 per cent of the loans were given for productive purposes such as cultivation expenses, purchase of cattle, improvement to lands, etc.

The percentage of overdues to demand in members' loans increased slightly during the year from 25·83 to 26·11. The arrears under interest, however, showed some improvement. The net profits earned by the societies during the year totalled Rs. 11·84 lakhs as against Rs. 9·09 lakhs in the previous year, while the total loss sustained fell to Rs. 11·41 lakhs from Rs. 11·66 lakhs. The loss was generally accounted for by certain old and dormant societies and the increased costs of management. I hope that by increasing the volume of business it may be possible for many of these societies to wipe off their losses.

(ii) *Non-agricultural credit societies.*—There were 1,161 non-agricultural credit societies in the Province at the end of the year. They recorded an all-round progress. They had a membership of 4·42 lakhs and a paid-up share capital of Rs. 164 lakhs as against 3·93 lakhs and Rs. 131·43 lakhs respectively during the preceding year. The total loans issued by them amounted to Rs. 776·42 lakhs as against Rs. 670·50 lakhs. The total profits earned by them was Rs. 12·87 lakhs as against Rs. 9·89 lakhs in the previous year and the total losses sustained by some of them was only Rs. 1·05 lakhs as against Rs. 1·14 lakhs.

(c) *Land mortgage banks.*—The transactions of the land mortgage banks increased further during the year. The Central Land Mortgage Bank issued Rs. 77·73 lakhs of loans to the primary banks during the year as against Rs. 62 lakhs in the previous year. It floated two series of debentures for a total value of Rs. 117 lakhs at 3 per cent interest and they were fully subscribed. The Government guarantee for the repayment of the principal and interest on the debentures which stood at Rs. 450 lakhs during the year has since been raised to Rs. 550 lakhs. The total amount of loans outstanding at the end of the year was Rs. 338·32 lakhs as against Rs. 291·41 lakhs in the previous year.

3. *Co-operative production*—(a) *Production of foodstuffs*—(i) *Food-grains.*—The food scarcity in the Province continued to persist during the year under report. Co-operatives did their best to relieve the situation. Thirty-six land colonization societies formed for civilians and for ex-servicemen reclaimed 2,804 acres more of lands given to them and cultivated 13,973 acres, mostly with food-crops. Twenty-two rural credit societies in the Pattukkottai taluk of the Tanjore district reclaimed a further extent of 519 acres during the year and cultivated 3,360 acres in all, chiefly with food-crops. Two hundred and sixty-eight tenants' and field-labourers' co-operative societies obtained the lease of 30,728 acres of padugai, lanka and other Government waste lands and sub-leased them to their members for cultivation. Of these 23,430 acres were cultivated with food crops. A few irrigation societies in Tirunelveli, Tiruchirappalli and Krishna districts executed irrigation works to the extent of Rs. 14,335 providing 756 members with additional irrigation facilities. The tractor owned by the Proddatur Loan and Sale Society in the Cuddapah district ploughed

371 acres of lands, belonging to the members of the society and rendered them fit for cultivation. Some societies availed themselves of the tractors and pumping sets provided by the Agricultural Department for raising more crops. The co-operative marketing societies, federations and agricultural demonstration and improvement societies distributed Rs. 23·14 lakhs worth of manures, Rs. 2·36 lakhs worth of agricultural implements and Rs. 1·06 lakhs worth of seeds. A large number of consumers' stores and other types of societies distributed groundnut oil-cakes to the value of Rs. 65·00 lakhs. All this, was no small contribution to the provincial effort for growing more food; and, if to this is added a sum of Rs. 253 lakhs given in agricultural credit societies as cultivation loans, the co-operative movement may well be proud of the part it played in feeding the millions of this Province.

(ii) *Milk.*—Even in increasing the supply of milk diet in the Province, co-operative societies distinguished themselves. Thirty co-operative milk-supply unions and 435 milk-supply societies supplied milk and milk products to the value of Rs. 91·86 lakhs. A good part of this supply was additional milk produced by cows purchased with interest-free loans amounting to Rs. 9·26 lakhs.

(iii) *Eggs.*—Co-operative effort at supplying eggs to the Province sagged during the year under report; for, the Government of India subsidy for collecting and marketing eggs was withdrawn from 31st December 1948. Thirty-four egg-production societies supplied the Province with only 7·22 lakhs of eggs costing Rs. 72,080. I hope to improve this record when Government sanction the scheme for developing egg and poultry business around the City of Madras which is pending with them.

(iv) *Fish.*—Figures are not available regarding the value of sea and inland fish provided for the Province by 178 fishermen co-operative societies. However, so far as inland fisheries go, some of these societies took fishing leases for Rs. 75,359. It will not be incorrect to estimate the value of fresh water fish supplied at four times the figure, viz., at Rs. 3·02 lakhs.

(v) *Potatoes, fruits and vegetables.*—The Nilgiris Co-operative Marketing Society sold Rs. 9·23 lakhs worth of potatoes, while co-operative societies for the growers of fruits, vegetables, etc., disposed of fruits such as oranges, mangoes, lemons, etc., to the tune of Rs. 6·14 lakhs.

(vi) *Sugar and sugarcane.*—The Co-operative Sugar Factory in the Visakhapatnam district produced 666 tons of sugar during the year. Thirteen societies composed of sugarcane growers financed sugarcane cultivation to the extent of Rs. 5·80 lakhs. It is estimated that 1·50 lakhs of tons of sugarcane were produced with these loans. Part of it was delivered to factories for the manufacture of sugar and the rest was converted into jaggery.

(b) *Production of textiles.*—Nine hundred and fifty three weavers' co-operatives working under the wings of the Madras Handloom Weavers' Provincial Co-operative Society produced nearly seven crores of rupees worth of handloom cloth as against Rs. 6·68 crores in the previous year. They would have produced more but for the fact that their production had to be curtailed with reference to the loss of foreign markets and the slump in trade within the Province. They kept 1·35 lakhs of looms at work as against 1·33 lakhs in the previous year. In addition, the Provincial Society distributed controlled yarn even to handlooms outside the co-operative fold. From July to September 1948 it distributed 14,000 bales per month in this way and from October onwards it distributed about 3,000 bales per month to non-members. This co-operative distribution of yarn to weavers outside the co-operative movement kept production going in thousands of private handlooms as well.

(c) *Production of Cottage Industrial Goods.*—Two hundred and thirty-five cottage industrial societies were engaged in the production of carpets, cumblies, metalware, coir goods, pots and pans, ready-made garments, leather goods, etc. They produced Rs. 22·62 lakhs worth of products.

4. *Co-operative Marketing of Agricultural Produce.*—The marketing of agricultural produce through co-operative sale societies was impeded during the year on account of the re-imposition of controls in respect of prices and movement of foodgrains. Yet, 238 sale societies marketed Rs. 260·25 lakhs worth of agricultural produce on agency and proprietory basis as against Rs. 220·67 lakhs worth in the previous year. The value of export trade done by some of these societies amounted to Rs. 5·58 lakhs as against Rs. 1·64 lakhs in the previous year. The Co-operative Conference of the Food and Agricultural Organization held at Lucknow in October 1949, appreciated the progress in overseas trade between co-operatives in India and Ceylon and recommended its extension to all countries of the Far East with Government help in shape of increased allotments of export and import quotas. When this help is given, and when more godowns are constructed with Government subsidies and loans in the manner indicated in Chapter III of Part B, the prospects of building up a vigorous international trade between co-operatives in India, Pakistan, Ceylon, Malaya, etc., will indeed be bright.

5. *Distribution*—(a) *General.*—With the re-imposition of procurement and rationing during the year, the consumers' co-operatives were provided with an opportunity for more service. Twenty-three central stores purchased goods to the total value of Rs. 25·29 crores and sold goods worth Rs. 25·13 crores during the year, as against Rs. 13·91 crores and Rs. 16·28 crores respectively in the preceding year. One thousand seven hundred and sixty-four primary stores purchased commodities worth Rs. 21·99 crores and sold commodities worth Rs. 23·07 crores during the year.

A good part of the sales by the Central Stores was made to the ordinary channels of trade, under the control orders, for being retailed by them to consumers direct.

(b) *Distribution of mill-cloth.*—One important line of distribution undertaken by co-operatives during the year under report was the sale of mill-cloth. Government entrusted them with the monopoly of the distribution of mill-cloth in the months of July, August and September 1948, and, later, with 3,000 bales per month. The purchases were made in bulk by the 23 co-operative wholesale stores in the districts, by the Triplicane Urban Co-operative Society in Madras, and by the Marketing Federation in West Godavari where there was no co-operative wholesale stores. The retail distribution was done by the primary co-operative stores and by select rural credit societies. Till the end of the year, 58,353 bales of mill-cloth valued at Rs. 700 lakhs were purchased and 47,276 bales were released for retail distribution. In all, about 3,000 retail shops were run by the co-operatives and their distribution work was appreciated by both members and non-members.

(c) *Distribution of Groundnut Oil-cakes.*—In August 1948, Government transferred the distribution of groundnut oil-cakes at controlled rates from the Agricultural Department, to the co-operatives. All the 23 wholesale stores and the Marketing Federations in the Tanjore and West Godavari districts were appointed as wholesalers to procure the oil-cakes from the Agricultural Department and the oil-mills. They procured in all 51,400 tons of groundnut cakes by the end of June 1949. Three hundred primary co-operative societies such as stores, sale societies, agricultural improvement societies and village credit societies were appointed as retail dealers. In addition, the wholesale stores themselves opened about 120 retail depots. By 30th June 1949, 40,200 tons of cakes valued at Rs. 65 lakhs were distributed to the ryots. Though the price and movement of cakes were de-controlled by January 1949, yet, the co-operative societies selected for the work continued to distribute the remaining stocks of cakes at the same controlled rates. The wholesale stores made a claim for Rs. 43,000 as subsidy to meet their overhead and establishment charges which worked out to 9 per cent of the cost of cakes procured by them during the period. Government were able to make a substantial saving by transferring the distribution work to co-operatives.

(d) *Distribution of chemical manures.*—The Lalgudi Sivagnanam Agricultural Co-operative Society in the Tiruchirappalli district took over the distribution of chemical manure from the Agricultural Department. Five thousand seven hundred and twenty-five bags in all of chemical fertilizers were taken charge of in this way from the local agricultural depot. The society, however, commenced their distribution only after the close of the year. Government have since passed orders directing that 12 more reliable societies should be selected and more chemical fertilizers should be transferred to them as an experimental measure during January-March 1950.

(e) *Distribution of agricultural implements.*—In December 1948, Government ordered the transfer of the distribution of fabricated agricultural implements from the Agricultural Department, to the co-operatives. According to this order, the co-operatives were to take over implements from the agricultural depots and from approved fabricators and sell them to the ryots on the basis of certificates issued by the agricultural demonstrators or village officers. The societies were allowed a margin of 6¼ per cent over the cost price. The scheme did not, however, benefit either the co-operatives or the ryots as most of the stock of implements available with the agricultural depots were unsaleable and costly. Representations were, therefore, made to Government, and they were requested to entrust the distribution of such materials as cart-tyres, axles, and galvanized sheets as well to the co-operatives. As regards the disposal of the unsaleable varieties of the fabricated implements taken over from the agricultural depots, Government agreed to re-imburse the loss sustained by societies in justifiable cases; but regarding the distribution of cart-tyres, axles and galvanized sheets, the co-operatives were advised to move the Government of India to get themselves enlisted as registered stock-holders. The matter is under correspondence with the Director of Controlled Commodities. Since the introduction of the scheme and till the end of the year, fabricated agricultural implements to the value of Rs. 89,000 were purchased by the co-operatives both from agricultural depots and private fabricators. There is a wide-spread popular opinion that unless these societies are given the distribution of materials such as cart tyres, axles, galvanized sheets, etc., agriculturists are not going to benefit by the control exercised by Government, over their distribution.

(f) *Distribution of books and stationery.*—This was attended to chiefly by Students' Stationery Stores, though urban and rural stores also did this work as a side line. These students' stores, of which there were 303, sold books to the total value of nearly Rs. 12 lakhs and stationery articles for Rs. 1·22 lakhs. Most of them worked very satisfactorily and earned a net profit of Rs. 56,870.

6. *Multi-purpose activities.*—In my last report, I indicated how rural credit societies could be made to function as multi-purpose societies without any modifications in their by-laws, and furnished statistics regarding the non-credit activities conducted by them. During the year under report, 1,271 village credit societies as against 940 in the previous year purchased and sold agricultural and domestic requirements of agriculturists to the tune of Rs. 188·37 lakhs as against Rs. 102·96 lakhs in the previous year. Five hundred and fifty-two rural credit societies worked the controlled credit scheme and helped their members to market their produce through adjacent sale societies. Twenty-two rural credit societies in the Tanjore district reclaimed 3,360 acres of lands and brought them under cultivation. Since the introduction of the scheme for re-organizing rural credit societies, 2,571 societies have undertaken various activities such as the supply of agricultural requisites, collection and sale of milk, promotion of social and recreational activities, etc. With the employment of additional supervisors under the subsidized scheme, it is expected that a larger number of rural credit societies will function as multi-purpose societies very soon; but progress in this direction depends on (1) the need felt by the members for the supply and sale of articles, (2) the ability and inclination of the panchayatdars to shoulder responsibility for undertaking these activities and (3) the ability of the society to raise the funds therefor. Any attempt to force the pace of their development may be disastrous, even as the endeavour to multiply credit societies under a Five Years' Plan in 1921 ended in the cancellation of most of these societies in succeeding years. Government have since ordered that all rural credit societies should be renamed as "Multi-Purpose Rural Credit Societies" and have also suggested that new rural credit societies that may be registered in future may adopt the elaborate special by-laws framed for full-fledged multi-purpose societies if they so desire. So far, multi-purpose societies of the full-fledged type have been registered only in two firkas selected for special development (Tirumangalam and Dendalur), where seven new societies of the kind were organized and 18 rural credit societies adopted *en bloc* amendments converting themselves into multi-purpose societies. The progress made by them is indicated in Chapter XI.

7. *Producers-cum-consumers societies.*—The work of re-organizing the Producers-cum-consumers societies both in the Circars and Malabar districts on the lines indicated in my last report was pushed through vigorously by the special staff appointed for the purpose. Government issued orders that the registration of such of those societies in the Circars as did not agree to convert themselves into one or other existing forms of societies by 30th September 1949 should be cancelled. Accordingly, the registration of 46 such societies was cancelled. The remaining societies had agreed to re-organize themselves and by 30th June 1949, the re-organization was given effect to in respect of 46 societies. As an experimental measure, Government entrusted the intensive procurement of food-grains to 22 producers-cum-consumers societies in the Ramachandrapuram and Kakinada taluks of the East Godavari district in 1948. They did good work in this behalf and were allowed to continue it till 31st March 1950. The question of re-organizing or cancelling the registration of these societies has been deferred till such time as they continue to do procurement work.

So far as the societies in the Malabar district are concerned they continued to be entrusted with procurement and distribution work all through the year under report. Their re-organization into one or other of the normal types of co-operative societies was also pushed through. By the end of June 1949, 69 societies adopted the by-laws of either marketing societies or credit societies or agricultural improvement societies. The re-organization of the remaining societies is expected to be completed soon. In the case of all these societies the re-organization will be given effect to only when they cease to do procurement work. The Collector of Malabar, under whose administrative control these societies work, has desired that the question of re-organization of these societies should be put into cold storage since active discussion about such issues only creates a sense of uncertainty. He feels that it would be wise policy to accept the societies as they are and concentrate on improving their business efficiency until they cease to do procurement work.

8. *Harijan welfare.*—Societies for Harijans used to be registered in the past as separate societies; but this policy was discontinued in recent years and Harijans were admitted into credit societies registered for the general public on the principle that co-operatives should not seclude Harijans. However, societies composed of field-labourers, fishermen, etc., could not but be registered separately because their primary object was to take lands or fisheries on lease for cultivation or fishing by sub-leasing them to their members. On 30th June 1949, there were 2,536 societies of this class, composed of the economically backward communities with 1·52 lakhs of members and a paid-up share capital of Rs. 31·62 lakhs. Fuller details regarding them are given in Chapter IV.

9. *Co-operative housing schemes.*—The all round progress in co-operative housing schemes which I referred to in the last administration report was maintained during the year under report. Fifty-eight new housing societies comprising 42 ordinary building societies, 12 house building societies, 3 house construction societies and 1 co-operative township were registered during the year. Since the close of the co-operative year, 11 more housing societies have been registered up to 31st October 1949. Thirty-two proposals were pending investigation by the Deputy Registrars on that date. During the year under report, 330 houses were completed and 675 houses were under construction at the end of June 1949.

There was a change in the policy of financing co-operative housing schemes by Government. In a Press note, dated 1st October 1948, Government announced that the question of restricting State loans for less costly houses was under their consideration and that any decision reached on this question would not affect schemes which had already commenced. The final decision of the Government was announced on 30th April 1949. It laid down the proportion of A, B, C and D class houses in a new co-operative colony and the minimum ground space for the different classes of houses. Besides, A class houses were declared ineligible for State loans, and limits ranging from Rs. 1,000 to Rs. 10,000 were fixed for the other classes of houses. These conditions, however, will apply only to new co-operative housing societies registered after 1st October 1948, and to old societies entrusted with housing schemes after that date. Ordinary building societies which advance loans for the construction of houses on sites owned by the members continue to be eligible for State loans up to Rs. 12,000 in each case as hitherto. During the seven months when the policy was under consideration, there was an air of uncertainty about the future of housing societies which to some extent damped the enthusiasm of the public and retarded the progress of co-operative housing schemes. Fortunately, after the position was clarified by Government in April 1949, confidence was restored and the schemes are now in full swing.

In my last report, I referred to a rural housing scheme to be worked through the agency of well-established rural credit societies with strong share capital and good reserves. That scheme was not approved by Government on the ground that it cast large financial burdens on them. However, they directed me to formulate a revised co-operative scheme for the construction of cheap houses ranging from Rs. 500 to Rs. 1,000 in rural areas with the assistance of an Advisory Committee. The constitution of the Committee is still under the consideration of Government. Meanwhile, many cheap designs of houses were examined with a view to adopting them for rural housing schemes. Chief among them is the cheap house built with "stabilized mud" by Mr. Casey of Hennessy, Company and Partners. The model houses put up by him at Perambur were inspected and there is a proposal to adopt this type of house for the housing scheme at Thirunageswaram in the Chingleput district. It has a floor area of 376 square feet and costs about Rs. 1,500. After the close of the year, I formulated another proposal for starting separate housing societies in villages on the basis of limited liability, entirely as a business proposition. The societies will be modelled on the existing urban housing societies but will provide in their by-laws more stringent safeguards for the State loans to be advanced to them. If Government are able to provide the funds for the scheme, I expect to give effect to it during the current co-operative year in select villages where there is a dearth of housing accommodation.

The subsidized housing scheme for Harijans under which it was proposed to construct at least 3,000 houses costing about Rs. 1,000 each in a five-year period, one-half of the cost coming as a free grant from the Harijan Welfare Fund and the other half as a 20 years' loan from Government, was not approved by Government on account of the financial burdens it imposed on them. At present, attempts, are being made to provide houses for Harijans in select villages by acquiring lands at concessional rates under the existing orders of Government and by advancing medium term loans from Central Banks for periods not exceeding five years for the construction of houses.

Another housing scheme that was proposed during the year related to the provision of houses by co-operative institutions for their employees. The South Arcot District Co-operative Central Bank came forward with a pilot scheme for the provision of quarters for its employees and applied for a Government loan of Rs. 20,000 repayable in 20 years. The employees were to pay only 10 per cent of their salary as house-rent and the difference between the rent and the annual instalments due to Government was to be made good by the Central Bank from its general funds. Government however, considered that it was not opportune to extend the scope of co-operative housing schemes in this manner and rejected the proposal. Now, the Central Bank is financing the scheme from out of its own funds which it will recoupe at the rate of Rs. 1,000 per annum from its gross profits. In view of the orders of Government in this case, I have not proceeded further with proposals for housing societies received from other Central Banks and some educational institutions for providing houses for their employees with the aid of State loans.

During the year, the employees of the Posts and Telegraphs Department at Madras and Mathurai approached me for the organization of special housing societies for them. I was given to understand that the Government of India would finance the scheme as a welfare measure for their employees and that the employees would be eligible for State loans up to eight times their paid-up share capital as against four times admissible under the Madras Government. I am awaiting authoritative information from the Government of India regarding the funds and the terms under which they will be made available to the proposed societies.

Housing schemes for weavers through weavers' co-operative societies made considerable progress during the year. The Yemmiganur Weavers' Co-operative Society, the pioneer in this field, has completed 22 houses and 37 houses are under construction. It has so far drawn a Government loan of Rs. 2 lakhs. Eleven more societies have taken up housing schemes for the benefit of their members and they have been sanctioned Government loans amounting to Rs. 5·29 lakhs. The weavers' society at Peda Kardala (Kurnool district) and at Ondipudur (Coimbatore district) have commenced the construction of houses; the latter society has completed the first batch of 22 houses. In almost all the remaining cases, the proceedings for acquiring lands for house construction are in various stages of progress.

The special arrangements made for the procurement and supply of essential building materials such as iron and steel, cement, timber, slack coal, etc., for co-operative housing schemes continued to be in force. During the year, a Steel Advisory Committee was constituted to assist the Director of Controlled Commodities in the distribution of iron and steel and I was appointed as a member of that Committee. For the year 1948–49, a total quantity of 1,914 tons of steel was placed at my disposal for allotment to co-operative

housing societies. In addition, 947 rolls of "sommerfield tracks" valued at Rs. 66,600 were allotted to the Madras Co-operative House Construction Society from surplus military stores.

The special land acquisition staff to expedite the acquisition of lands for co-operative housing societies sanctioned in January 1948 continued to work under my administrative control throughout the year under report. Up to the end of June 1949, 77 societies applied for the acquisition of 1,877 acres of land; 21 awards were pronounced covering 446 acres of land; excluding applications withdrawn, 62 cases were pending with the Special Land Acquisition Officer. The special land acquisition staff sanctioned for the Katpadi Co-operative Township was disbanded on 31st March 1949 after having completed the acquisition of 365·85 acres. The Special Officer at Madras completed the work six months later and handed over 33 more acres to the society.

As a measure of economy, Government discontinued the practice of sanctioning the free services of departmental officers to work in the first year as the paid secretaries of housing societies that had undertaken the construction of houses. However, in a few specially deserving cases, their services were given at half cost; in other cases the societies pay for their full cost. In spite of the dearth of officers in the Public Works Department, Government were kind enough to spare the services of Engineers and Supervisors wherever this was necessary. In other cases, housing societies appointed retired Engineers of the Public Works Department or private Engineers. I am grateful to Government for having given me the assistance of a special Deputy Registrar with the requisite subordinate staff, to assist me in housing schemes. He joined duty in June 1949 and functions as my touring Personal Assistant, checking whether Government loans sanctioned to co-operative housing societies have been properly utilized and are well secured. After the close of the year, I have applied to Government for the services of an Executive Engineer with the necessary subordinate staff to assist me in technical matters connected with housing schemes.

During the year, I was asked by Government to examine whether it was feasible to organize on the model of the Central Land Mortgage Bank, a Central Housing Society for the Province to raise funds for being lent to primary housing societies by floating debentures. Though Government offered to guarantee the principal and interest of the debentures of the proposed society, the scheme was found to be impracticable on account of the fundamental difference between a land mortgage bank and a housing society, viz., that the former has a ready made security to offer to the debenture-holder for the loan disbursed (lands) whereas a housing society has no such initial security and has to wait from eighteen to twenty-four months, to produce the security (houses). The proposal was therefore dropped and Government are continuing to finance co-operative housing societies with their own funds as heretofore. During the financial year ended 31st March 1949, a sum of Rs. 80 lakhs was sanctioned as loans to housing societies and in all Rs. 63 lakhs were drawn and disbursed to the societies before the close of the year. For the current financial year (1949–50) a sum of one crore of rupees has been provided in the budget as loans for the co-operative housing societies. Till 25th November 1949, Rs. 39·02 lakhs have been sanctioned as loans and I hope to exhaust the full allotment before the current financial year comes to a close. For the next financial year 1950–51, I have applied for an allotment of a crore of rupees for urban housing schemes and another crore for rural housing schemes.

Government have passed orders on some of the major recommendations of the Provincial Housing Committee on whose reports I had offered my remarks in consultation with the other Government departments concerned. On recommendation No. 123 relating to the assignment of Government or Municipal lands to co-operative housing societies, Government have ordered that whenever a department of Government, a Municipality, or an Improvement Trust or other public body have at their disposal lands for sale or for long-term lease for the construction of houses, they should be given to co-operative housing societies in preference to others at reasonable rates without public auction. On recommendation No. 137, Government have constituted an Advisory Committee consisting of the Hon'ble Minister for Housing (Chairman), the Hon'ble Minister for Local Administration, the Hon'ble Minister for Health, the Hon'ble Minister for Finance and the Deputy Secretary, Development Department (Secretary) to advise them on problems connected with housing in the Province. On the recommendations of the Provincial Town-Planning Enquiry Committee of which I was a member, Government have not yet passed orders.

10. *Prohibition.*—With the introduction of Prohibition in nine more districts in October 1948, the entire Province went dry. The ameliorative work connected with Prohibition was entrusted to this Department and the staff sanctioned for it was transferred from the Revenue Department to this Department with effect from 15th October 1948. This transfer switched attention from recreational activities to constructive work, such as the establishment of co-operative societies for the manufacture of jaggery, for the supply of milk, for the production of cottage industrial goods, etc. At the end of the year under report, 1,488 jaggery manufacturing societies were functioning with nearly one lakh of members. They produced 25 lakhs of maunds of jaggery worth Rs. 127 lakhs. One hundred and eighty organizations for milk supply were functioning at the end of the year. They supplied 51·20 lakhs pounds of milk worth Rs. 11·23 lakhs during the year under report. In the Salem district four land colonization societies are now enlisting only ex-tappers as members. In addition, on 30th June 1949, there were 12,649 grama sangams functioning in villages, building up community centres, establishing reading rooms and libraries, installing radios and organizing rural recreation. The best part of the work entrusted to the ameliorative staff, however, is the expansion of the rural co-operative movement in which village credit societies are being put on to multi-purpose activities. The Special Development Officers are attending to this in collaboration with the Central Co-operative Banks. A fuller account of ameliorative work connected with Prohibition work will be found in Chapter XI of Part B of this report.

Though there has been an all round progress in the ameliorative work during the year, much more yet remains to be done. With the advent of political freedom, there is an urge for social and economic progress among the masses. This urge must be taken in the flood and made to bear fruit. Therefore, ameliorative work has been given a wider significance and made to embrace the entire field of rural development. Co-operatives of various types are pressed into service to ensure general progress. The special development staff have been charged with this task. They have also been called upon to investigate and launch special schemes which will promote economic prosperity in selected areas. While they are doing their best, I feel that their endeavours will be crowned with better and more lasting success only if they are not treated as tags to the Co-operative department, but are regarded as part and parcel of it. This can be achieved only by dividing each district into two and naming the Special Development Officer as the Deputy Registrar of one half of the district, leaving the other half in charge of the existing Deputy Registrar. This division will reduce the jurisdiction of each Deputy Registrar, and put him in charge of all work, both co-operative and ameliorative. The reduced charge will give the Deputy Registrar enough time to attend to both co-operative and ameliorative work, and the assumption of full administrative charge over half the district will give the Special Development Officer, the status and authority necessary to render ameliorative work effective. With this end in view, I have submitted proposals to Government, for the bifurcation of the East Godavari and Mathurai districts, and shall be sending similar proposals in respect of other heavy districts. Until they are approved, it is necessary that the existing arrangements should continue so as to keep alive the enthusiasm for general progress evoked by the attainment of Independence.

11. *Resettlement of ex-servicemen.*—Since the transfer of the administrative control of the co-operative societies for ex-servicemen to this department was effected, considerable progress has been made in their working. Schemes for the reorganization of the co-operative workshops were drafted and submitted to Government. Those in respect of six workshops were sanctioned during the year. The capital cost involved in the scheme was to be met by the Provincial Government and the Post-War Reconstruction Committee in the proportion of 40 : 60 respectively. A sum of Rs. 6·89 lakhs was sanctioned out of the Post-War

Reconstruction Fund for the implementation of the schemes. These schemes aim at reorganizing the workshops on up-to-date lines and equipping them with labour-saving machinery. The details of these schemes are given in Chapter X of Part B. The land colonization societies for ex-servicemen also made good progress in reclaiming the lands allotted to them for cultivation. Out of 11,000 acres given to ten societies, an extent of 5,570 acres was reclaimed by the end of the year. With a view to provide additional income to the colonists, subsidiary occupations such as vegetable gardening, poultry and diary-farming, weaving, etc., were introduced in the colonies. The thirteen motor transport societies for ex-servicemen made remarkable progress during the year. They had in all 288 vehicles which earned a total income of Rs. 27·86 lakhs. Indeed, the good work done by the societies for ex-servicemen under the generous patronage of the Post-War Services Reconstruction Committee presided over by His Excellency the Governor is of such a striking and far-reaching character, that it has been decided to have some of the activities of these societies filmed for public benefit. The Post-War Services Reconstruction Fund has been pleased to sanction a sum of Rs. 30,000 for the purpose. The film is under preparation.

12. *Provincial Co-operative Advisory Council and National and International Committees.*—During the year, the strength of the Provincial Co-operative Advisory Council was further increased to ten members by the inclusion of the President of the Central Land Mortgage Bank. The Council met once during the year and once again since the close of the year. Almost all major policies touching the movement were referred to it for opinion and its recommendations were generally accepted by Government.

Since the close of the co-operative year, I was nominated by the Government of India as one of the Members of the Indian Delegation to the Technical Meeting on Co-operatives in Asia and the Far East convened by the Food and Agricultural Organization of the United Nations. I attended the meeting in October last and the decisions reached at the meeting are now before the Government. Recently, I have been appointed as one of the Members of the Rural Banking Enquiry Committee appointed by the Government of India with Sir Purushotamadas Thakurdas as the Chairman.

13. *Administration.*—I was in office as Registrar of Co-operative Societies throughout the year. Sri K. Subramania Naidu, Joint Registrar, who was in charge of the co-operative societies for ex-servicemen, was deputed for foreign study in December 1948 and in his place Sri K. Sarvothama Rao, Deputy Registrar, was promoted. There were in all five Joint Registrars, two for general administrative work, one for ex-servicemen's societies, another for ameliorative work connected with prohibition and one for work connected with the distribution of yarn through co-operative weavers' societies. The posts of the Joint Registrars were held by Messrs. K. Subramania Naidu, A. Palaniappa Mudaliar, G. Viswanatham Chetty, K. Muthukrishna Naidu, K. Sarvothama Rao and A. D. Balasundaram Mudaliyar. Details regarding other officers are given in Chapter III. I take this opportunity of thanking all my Joint Registrars, other officers and staff for the strenuous work which they did during the year with good cheer in spite of some trying circumstances. I also thank the vast body of non-official co-operators who run the movement and have always given me their unstinted support. From other departments of Government such as the Civil Supplies, the Agriculture, the Industries, the Textile and the Animal Husbandry departments, I received help and encouragement for which I am most grateful.

CHAPTER II.

Supervision, Education and Propaganda.

1. *Supervision.*—The supervision of rural credit societies continued to be done by the supervisors employed by the co-operative central banks. They were attached to local supervising unions wherever they existed and functioned. Under the scheme of re-organization of the rural credit societies, the central banks appointed additional staff so as to ensure that not more than 20 societies were entrusted to each supervisor. At the end of the year, there were in all 614 supervisors attending to the supervision of rural credit societies as against 412 in the previous year. The cost of this staff continued to be met by collecting supervision fund at the usual rates from the societies, the deficit being met by the banks from their own funds. During the year under report, the central banks spent Rs. 9·55 lakhs towards supervision as against Rs. 8·00 lakhs in the preceding year. Subsidies from Government for the additional staff employed by them for the intensive supervision of the societies will be paid in due course, not exceeding Rs. 1·30 lakhs per year for two years. On 30th June 1949, there were 258 supervising unions with more than 10,000 societies affiliated to them for supervision. The loan applications of the affiliated societies were recommended to the co-operative central banks by the governing bodies of the unions, who also looked after the collection of these loans. Ninety-seven unions were able to clear in full both the principal and interest due to central banks from the affiliated societies. Supervision by co-operative unions is not therefore such an ineffective affair as is often depicted. Given good governing body members and adequate allotment for working expenses, these unions can acquit themselves creditably. The recent expansion of the Co-operative movement in the

villages under the "Two Year Scheme" subsidized by Government gives an opportunity to revive the dormant unions and plant fresh ones. I hope central banks will address themselves to this task in the near future.

The supervision of certain types of societies such as Harijan societies, jaggery societies, stores societies, weavers societies, sale societies and other non-credit societies is generally done by the departmental staff. In certain districts, however, the financing banks have also been maintaining a separate staff of supervisors for the periodical inspection of certain non-credit societies indebted to them. During the year under report, the supervision of consumers stores was done by a special staff consisting of 26 Co-operative Sub-Registrars and 55 Senior Inspectors while the weavers' societies were looked after by a different special staff of 25 Co-operative Sub-Registrars and 107 Senior Inspectors. Besides, there were 42 Non-Credit Senior Inspectors entrusted with the supervision of other types of non-credit societies in the district. In order to meet the cost of staff employed for the supervision of the consumers stores and weavers' societies, Government ordered the collection of supervision fees from these societies on the scale indicated in my last year's report. Supervision fees will be levied on the basis of profits earned by these types of societies for the year 1948–49 and will be collected from the current year onwards.

2. *Co-operative Training and Education*—(a) *Co-operative Training Institutes.*—The staff employed in the co-operative movement, both in the department and in the co-operative institutions, will have to undergo theoretical and practical training in the co-operative training institutes functioning in the Province. A Central Co-operative Training Institute is run by the department at Madras to train candidates selected for appointment as Inspectors in the department. Four other institutes for training non-official candidates have been established more or less permanently at Anantapur, Rajahmundry, Tanjore and Coimbatore. One more institute was run temporarily at Kozhikode for one session from September 1948 to February 1949, to train supervisors and the employees of the producers' cum-consumers' co-operative societies in the Malabar district. This institute has since been closed.

(b) *Training of Departmental Officers*—(i) *Junior Inspectors.*—Candidates for appointment as Junior Inspectors in the Department are recruited by the Madras Public Services Commission according to the needs of the Department and are given theoretical training for nine months in the Co-operative Central Institute at Madras and practical training for three months under experienced departmental staff. They are given a stipend of Rs. 65 each during this period of training. They should serve in the department for at least two years after training, failing which the stipends are liable to be recovered from them. During the year under report, the Public Services Commission recruited 272 candidates for appointment as Junior Inspectors. Though the normal period of training prescribed for the Junior Inspectors is one year as indicated above, the total period of training had to be reduced to six months—four months theoretical and two months practical—on account of the acute shortage of Junior Inspectors in the Department. Out of 272 candidates selected, 32 had already undergone training in co-operative institutes and were posted to regular work straightaway. The remaining candidates alone had to be trained. The Central Institute at Madras conducted three sessions during the period from 1st September 1948 to 31st December 1948 and trained in all 150 candidates. For want of accommodation, the remaining candidates were given training in the non-official co-operative institutes at Tanjore and Rajahmundry. These two institutes gave training to 90 Junior Inspectors for four months from 1st October 1948. Apart from the sanction of free services of departmental staff and a grant for meeting the cost of non-official lecturers for running the training classes of non-official staff, the two training institutes at Rajahmundry and Tanjore were provided with extra departmental staff and an additional lump-sum subsidy of Rs. 1,000 each for running special training classes for Junior Inspectors.

(ii) *Senior Inspectors.*—On account of the dearth of suitable candidates among the Junior Inspectors for promotion as Senior Inspectors, Government were pleased to accept my proposal to make direct recruitment of Senior Inspectors as a temporary measure. The Services Commission selected 100 candidates for appointment as Senior Inspectors of whom 14 had undergone co-operative training already. The remaining 86 candidates were deputed for training to the Central Co-operative Institute but only 58 of them completed the full course lasting six months beginning from January 1949. They have now been deputed to undergo practical training for six months in the districts under Deputy Registrars. These candidates were also given a stipend of Rs. 65 per month during the period of their training. For conducting the training classes for the Senior Inspectors, Government sanctioned one Deputy Registrar to work as the Principal of the Institute and four Co-operative Sub-Registrars to work as lecturers for a period of six months from January 1949. Since the close of the year, another batch of 100 Senior Inspectors has been recruited and sent to the Central Co-operative Institute for training.

(c) *Training of non-official employees.*—Persons seeking employment as supervisors under the central banks or in other capacities under the wholesale stores, urban banks, etc., have to undergo training at their own cost in the four co-operative training institutes. The course of training lasts for nine months at the end of which an examination is conducted by the Madras Provincial Co-operative Union. The period of training has recently been extended to eleven months—nine months theoretical training and two months practical training. The funds required by these institutes are obtained by way of tuition fees from candidates, and grants from central banks, the provincial co-operative union, etc. Government also provided them with the services of departmental staff free of cost to work as superintendents and lecturers. In the case of non-official lecturers appointed by the institutes themselves, the entire cost towards pay and allowances is given to them as subsidy. The total grant so paid during the year amounted to Rs. 6,480. The four training institutes conducted the nine months' course of training from July 1948 and trained in all 333 candidates.

Besides the above four permanent training institutes, a new institute was started at Kozhikode in the Malabar district during the year under report and training was given to untrained persons already in the employ of co-operative organizations and to those seeking such employment. The training classes were held for a period of six months from September 1948 and 48 candidates were trained. Government deputed the necessary departmental staff for conducting the course. Their cost was met by the Malabar district Co-operative Central Bank under whose auspices the institute was run. The Central Bank is anxious to establish a training institute permanently in the district providing a full nine months' course as in the case of the other institutes.

In addition to the regular nine months' course of training, the four mufassil institutes at Anantapur, Rajahmundry, Tanjore and Coimbatore conducted a short training course for a period of one and a half months from 16th May 1949 for the employees of co-operative stores, milk supply societies, weavers' societies and other non-credit societies. Nearly 173 candidates deputed by the co-operative institutions underwent this short course of training.

3. *Co-operative education and propaganda.*—(*a*) *General.*—During the year 1948–49, the panchayatdars training classes were not conducted, pending sanction of the revised scheme proposed by the Provincial Co-operative Union. After the close of the year, Government passed orders dropping the revised scheme, but permitted the subsidy of Rs. 15,800 provided for conducting training classes for panchayatdars to be utilized for the production of educational films on subjects relating to co-operative cottage industries and milk supply. The Provincial Co-operative Union is making arrangements for the production of the films.

The proposal of the Provincial Co-operative Union to collect compulsorily an education fund out of the Common Good Funds of co-operative societies other than rural credit societies indicated in my previous report could not be finalized as it required an amendment to section 36 of the Madras Co-operative Societies Act, and rule XII (*a*) of the rules framed thereunder. Government are taking steps to make the necessary provision in the Act along with other amendments.

(*b*) *Co-operative Education.*—The B.Com. (Hons.) course, with co-operation as the chief subject, mentioned in my last report was introduced in the Pachaiappa's and Loyola Colleges from the

academic year 1948–49. On a further representation made by the Madras University, Government sanctioned the services of a Co-operative Deputy Registrar for one year for giving lectures on co-operative law and principles and also to impart practical training to the students. The Deputy Registrar is attached to the University. The special subject of co-operation will be taught in the second and third years of the course. Government have been addressed for the sanction of two Deputy Registrars from the academic year 1950–51 so that the B.Com. (Hons.) course may be established on a permanent footing. It is also proposed to amend the service rules governing the direct recruitment of Deputy Registrars and Co-operative Sub-Registrars giving preference to candidates who hold a degree in B.Com. (Hons.) with co-operation as special subject.

(*c*) *Propaganda.*—"The Madras Journal of Co-operation" published by the Madras Provincial Co-operative Union, and the monthly co-operative journals published in the regional languages by the Tamilnad Co-operative Federation, the Andhradesa Co-operative Union and the Malabar and South Kanara Co-operative Central Banks provided the public with useful literature on co-operation. "The Madras Information" in English and in the regional languages published by the Director of Publicity and Information also published articles on co-operative subjects. Talks on co-operative and allied subjects were broadcast by departmental officers through the All-India Radio stations at Madras and Tiruchirappalli in Telugu and Tamil languages respectively.

4. *Conferences.*—During the year under report the sixth Tamilnad Co-operative Conference was held at Kancheepuram for two days in January 1949 under the presidency of Sri T. A. Ramalingam Chettiar. The nineteenth Annual Conference of Primary Land Mortgage Banks was convened by the Central Land Mortgage Bank in March 1949 and was presided over by the then Premier, Hon'ble Sri O. P. Ramaswami Reddiar. A business conference of all the Deputy Registrars and Special Development Officers was held for three days in March 1949. This conference was presided over by the Hon'ble Sri K. Chandramouli, Minister for Local Administration and Co-operation, and declared open by the then Premier, the Hon'ble Sri O. P. Ramaswami Reddiar. The Hon'ble Ministers for Industries and Prohibition also addressed the conference. Two conferences of representatives of wholesale stores were convened to discuss matters connected with business in mill cloth and the procurement of food-stuffs. The second of them was opened by the new Hon'ble Minister Mr. J. L. P. Roche Victoria, who was the President of the Tuticorin Co-operative Wholesale Stores, before he became Minister. Besides these, the district officers convened conferences of representatives of weavers' societies, stores societies, marketing societies, etc. The Central Banks also convened conferences of supervisors and other field staff to review the work done and chalk out future programmes of work for the development of the business of the banks and village credit societies.

CHAPTER III.

Administration.

1. *Organization of the Department*—(*a*) *Staff for general administration.*—The strength of the Co-operative Department, both permanent and temporary, excluding the staff for Prohibition (Amelioration) was as follows at the end of the year under report :—

Registrar	1
Joint Registrars	
Deputy Registrars (on general duty)	28
Deputy Registrars for Land Mortgage Banks ..	3
Personal Assistant to Registrar	1
Deputy Registrars on special duty	8
Technical Expert for Ex-servicemen Societies ..	1
Special Deputy Collector for Land Acquisition ..	1
Dairy Development Officer	1
Veterinary Officer for Madras Milk Supply Union ..	1
Deputy Tahsildars for Land Acquisition	3
Deputy Surveyors	3
Dairy Assistants	9
Dairy Surveyor	1
Woman Special Officer	1
Co-operative Sub-Registrars	179
Senior Inspectors	918
Junior Inspectors	958
Routine clerks and typists	236
Draughtsman	1
Senior and Junior Superintendents	5

Sri K. Subramanyam Nayudu, Joint Registrar, and Sri C. Joseph Reddy, Deputy Registrar, were deputed on a study tour in the United States of America, Canada and Europe and they returned from their tour recently. One Joint Registrar and one Deputy Registrar were on other duty with the Government of India. Since the close of the year Sri K. Sarvothama Rao, Joint Registrar, has been appointed as the Chief Officer of the Agricultural Credit Department of the Reserve Bank of India. One Deputy Registrar was working as Assistant Commissioner in the Textile Department and another Deputy Registrar has since been appointed as Deputy Director of Industries and Commerce (Cottage Industries) at Madras. Nine Deputy Registrars were working in co-operative organizations, four in the Madras Provincial Handloom Weavers' Society, three in housing societies and two in wholesale stores, either on foreign service terms or under Fundamental Rule 127.

The Deputy Registrars on general duty toured for 5,309 days during the year and visited 815 agricultural credit societies and 2,286 other types of societies. They attended 275 meetings of

Central Banks and 1,094 meetings of other societies. They conducted the test audit of 259 co-operative societies and attended to the organization and starting of 191 special types of societies. Co-operative Sub-Registrars on general duty and on special work, such as supervision of stores and weavers' societies, execution and liquidation, toured for 12,369 days and visited nearly 5,000 societies and attended about 1,000 meetings.

(*b*) *Staff for amelioration work connected with Prohibition.*—In G.O. Ms. No. 2319, Revenue, dated 25th September 1948, Government ordered the transfer of the Amelioration branch of the Prohibition Department from the Board of Revenue (Excise) to the Co-operative Department with effect from 15th October 1948. In the same order, Government sanctioned the retention of the entire ameliorative staff in respect of the old sixteen prohibition districts except that the posts of 63 ballad singers, 144 village guides and 2 song composers were abolished and the Assistant Development Officers were continued at the rate of two officers for each district instead of one for each revenue division. Additional staff for the new nine districts also was sanctioned on this revised scale. With effect from 1st April 1949, however, the post of one Special Development Officer in the Nilgiris district was abolished and the ameliorative work in that district was entrusted to the Deputy Registrar of Co-operative Societies there, with the aid of one Assistant Development Officer. Deputy Tahsildars, who were working as Assistant Development Officers previously were reverted to the Revenue Department. The posts of 3 junior Van Supervisors were transferred to the Provincial Broadcasting Department from 1st October 1948. The posts of one reserve operator and one reserve driver were also abolished from that date, retaining the posts of one reserve operator and one automobile inspector. Later, in January 1949, the post of the automobile inspector was also abolished. For formulating schemes for the resettlement of ex-tappers in the districts of Chingleput, South Arcot, Ramnad, East Godavari, West Godavari, Visakhapatnam and Krishna, 7 posts of Senior Inspectors were sanctioned for a period of six months to assist the Special Development Officers. To examine the question of providing alternative employment to the toddy tappers when prohibition was introduced in the Madras City and in the Saidapet taluk of the Chingleput district and to formulate suitable schemes, sufficiently in advance, Government had sanctioned the employment of a special staff of one Deputy Registrar of Co-operative Societies and two Senior Inspectors of Co-operative Societies before the introduction of prohibition. These posts were subsequently absorbed in the posts of the Special Development Officer and the two Senior Inspectors sanctioned as ameliorative staff for the Madras City when prohibition was introduced. One Senior Inspector was sanctioned for the Tiruchirappalli district to attend to the ameliorative work in the Pudukkottai division; but the post was later retrenched. One post of Rural Welfare Officer was sanctioned exclusively for ameliorative work in the Tungabhadra project area in the Bellary district. To fill up the posts of Rural Welfare Officers sanctioned for the last nine prohibition districts and the vacancies in the old districts, 107 candidates were selected by a committee constituted for the purpose. Of these candidates, 84 have joined duty. In December 1948, Government sanctioned the post of a Provincial Palm Gur Organizer to attend to the development of palm gur industry in the Province on improved lines. The following is the sanctioned strength of the staff for amelioration branch of prohibition on 30th June 1949 :—

Deputy Commissioner of Prohibition (Amelioration) and Joint Registrar of Co-operative Societies ..	1
Special Development Officers in the category of Deputy Registrars	24
Chief Physical Instructor	1
Provincial Palm Gur Organizer	1
Co-operative Sub-Registrars working as Assistant Development Officers, etc.	50
Assistant Physical Instructor	1
Senior Inspectors	106
Junior Inspectors	15
Rural Welfare Officers	222
Photographer	1
Reserve Operator	1
Stenographers and typists and clerks	34
Propaganda van operators, drivers and cleaners..	50
Jeep drivers	25

2. *Audit—(a) Progress.*—The audit of the accounts of 18,482 co-operative societies, including the societies in the merged Pudukkottai State, had to be done for the co-operative year 1947–48 and that of 297 societies for periods other than the co-operative year. Of the 18,482 societies, the accounts of 18,467 societies were audited by the end of the co-operative year, leaving a balance of 15 societies. The audit of 6 out of these 15 societies could not be completed for want of reconciliation of figures in the outstanding items. In four societies, the account books were filed in courts; in three more they were not available for audit; and in one the accounts were not written up. The audit of the Madras Provincial Handloom Weavers Society was in arrears as already mentioned in the last report, as the private auditors had not completed it. Since the close of the year, the audit of the accounts of this society for the year 1946–47 has been completed and that in respect of 1947–48 is in progress. The accounts of this society for the year 1948–49 are being audited by a departmental staff of one Co-operative Sub-Registrar and 14 Senior Inspectors. Of the 297 societies which have adopted periods other than the co-operative year for audit, the audit of 244 societies was completed by the 30th June 1949.

In my report for the year 1947–48, I indicated the difficulties confronting the department in expediting audit. The position did not improve during the year 1948–49 and the audit of the accounts of co-operative societies for the previous year dragged on till the end of the year in many districts. The question was examined at the last conference of the departmental officers held in March 1949 and it recommended, among other measures, that Government might be requested to reconsider the orders passed in G.O. No. 1527, Development, dated 4th November 1947, fixing the standard scale of societies for each auditor and to accept my proposal for employing auditors at the rate of one for every 45 rural credit societies. I am taking up this matter separately with Government.

In order to push through the audit quickly and complete it in time, co-operative societies were encouraged to employ Government audit staff under Fundamental Rule 127 meeting their full cost. Six hundred and seventy-two societies took 3 Co-operative Sub-Registrars, 302 Senior Inspectors and 23 Junior Inspectors as auditors under this system. I also authorized under section 37 of the Madras Co-operative Societies Act retired officers of the Department to audit Co-operative Societies. By the end of the year 2 Co-operative Sub-Registrars, 7 Senior Inspectors and 15 Junior Inspectors were so authorized. Some societies are now employing them for their audit. Only 10 societies in the City and 29 societies affiliated to the Mathurai-Ramnad Audit Union have appointed their own private auditors out of a panel approved by me.

As in previous years, at the request of the Commissioner of Labour, I deputed my audit staff to do the audit of the accounts of Trade Unions under Regulation 19 (A) of the Madras Trade Union Regulations, 1927. During the year 1948–49, the audit of 121 trade unions was conducted by auditors of this department. I am examining, in consultation with the Commissioner of Labour, whether it is not possible to entrust the audit of the trade unions to other agencies provided in the regulations as I find it extremely difficult to arrange for the audit of the accounts of these organizations with the existing staff and without detriment to their regular work in this department.

During the year, a beginning was made in entrusting the audit of bigger co-operative institutions to Co-operative Sub-Registrar-Auditors. All along, departmental audit was being done by the Senior Inspectors and Junior Inspectors only. With the increase in the number of central co-operative organizations, especially the Central Stores which undertook the procurement of foodgrains and the distribution of mill cloth, yarn, manures, etc., the need for making their audit more efficient and thorough became urgent. The Central Land Mortgage Bank and the Madras Handloom Weavers Provincial Co-operative Society were the first institutions which took Co-operative Sub-Registrars as auditors agreeing to pay their full cost under Fundamental Rule 127. Many co-operative wholesale stores soon followed their example. Three of them employed Co-operative Sub-Registrar-Auditors by 30th June

1949. Even some big primary stores like the Mathurai Mill Stores and the Harvey Mill Stores, in the Mathurai and Tirunelveli districts have since taken the services of Co-operative Sub-Registrars for audit.

The audit of the Producers-*cum*-Consumers Societies in the Malabar and in the Circars continued to be done by the special staff sanctioned for the purpose. The audit of the accounts of all these societies for the year 1947–48 was completed before the close of the co-operative year 1948–49, and the final audit for the year 1948–49 is now in progress.

During the year 1948–49, a sum of Rs. 1,64,832 was levied as audit fees for the audit of the accounts of the societies liable for such fees for the year 1947–48. Remission to the extent of Rs. 2,003 was granted under audit fees payable for 1946–47 to some of the societies which worked at a loss or whose financial position was not sufficiently strong. The cost of the audit staff employed for the purpose could not be met in full out of audit fees. To enable such complete recovery, Government called for a report from me to review the position and to enhance the rates. I have examined the question and have recommended to Government an enhancement of the fees from Rs. 5–8–0 to Rs. 7 per diem in respect of Central Banks, Urban Banks and other societies whose working capital or the value of whose purchases and sales or articles produced, as the case may be, is Rs. 1 lakh or over and from Rs. 3–12–0 to Rs. 5 in respect of urban banks with a working capital of less than Rs. 1 lakh and other types of small non-credit societies liable to pay audit fees.

(*b*) *Withdrawal of free-audit.*—The proposal of the Government to withdraw the concessions enjoyed by the co-operative societies under Rule XI of the rules framed under the Co-operative Societies Act, in regard to payment of audit fees with effect from January 1948 could not be given effect to on account of the representations made against the proposal. After examining the objections, I suggested to Government that of the societies which were enjoying audit fee concessions, those which worked at a profit might pay for their audit according to their ability. Government accepted my proposal and published draft amendments to the rules prescribing that every registered society which did not pay a charge for its audit to Government according to the scale of audit fees prescribed or which did not have its accounts audited at its own expense should set apart 10 per cent of its net profits to a new fund called the "Audit Fund". Payments towards audit fees levied should be made only out of this fund and only to the extent sums are available in this fund. The question of confirming this rule is under the consideration of Government.

(*c*) *Separation of audit and administration.*—In lieu of the recommendation of the Retrenchment and Reorganization Committee that the function of audit should be taken away from this Department altogether, Government accepted my proposal to separate the control of audit from the administrative work of the department and to retain both functions in the Co-operative Department, under two separate branches. They ordered that the scheme might be given a trial for a period of three to five years and called for detailed proposal regarding staff, etc., needed to give effect to it. As my detailed proposals in this behalf involved additional cost, Government have ordered recently that the proposal may be deferred.

3. *Arbitration.*—In addition to nearly 5,000 arbitration references pending disposal at the beginning of the year, 22,448 references were received during the year. Of those received during the year, twenty-seven cases were non-monetary disputes which generally related to elections of office-bearers. Of the 27,623 monetary disputes to be disposed of during the year, 11,508 cases were disposed of by honorary arbitrators and 7,935 by departmental officers. At the end of year, 8,180 disputes were pending disposal. The total amount involved in these references was Rs. 29·55 lakhs of which nearly Rs. 6 lakhs were collected in the course of arbitration. Including the 27 disputes received during the year, thirty-four non-monetary disputes had to be disposed of during the year. Generally, these cases are of a complicated nature falling under the scope of section 51 (1) (*c*) of the Madras Co-operative Societies Act, and have to be disposed of by the Deputy Registrars themselves. Of these, only ten cases were finally disposed of during the year. To discourage frivolous non-monetary disputes, Government have, at my instance, ordered the enhancement of arbitration fees for these cases from Rs. 50 to Rs. 100 per suit, from the beginning of the current year.

4. *Execution.*—The statement below shows the disposal of execution petitions under Section 57-A of the Madras Co-operative Societies Act :—

	Number of petitions.	Amount involved. RS. (IN LAKHS).
Execution petitions pending disposal at the beginning of the year	7,995	35·72
Petitions received during the year	8,466	25·02
Total ..	16,461	60·74
Petitions finally disposed of during the year ..	4,287	6·95
Petitions withdrawn during the year	2,317	8·21
Total ..	6,604	15·16
Petitions pending at the end of the year ..	9,857	45·58

Of the sum of Rs. 6·95 lakhs involved in the petitions disposed of during the year, Rs. 6·28 lakhs were realized in cash without sale of properties attached, Rs. 0;56 lakh by sale of properties to persons other than the decree-holders, and the balance of Rs. 0·11 lakh represented the amount set off by the decree-holders as auction-purchasers.

5. *Supersession.*—Besides the twenty-eight societies whose committees had been superseded under section 43 of the Madras Co-operative Societies Act VI of 1932 at the end of last year, the committees of twenty-nine more societies were superseded during the year. Normal constitution was restored in respect of eighteen societies, and the registration of one society was cancelled during the year. At the end of the year the committees of 15 weavers' societies, 6 stores societies 6 marketing societies, 6 producers-*cum*-consumers societies and 5 credit societies were under supersession and the affairs of all these 38 societies were managed by special officers appointed by me. The committees of societies are superseded only when this becomes inevitable on account of bad management or factions. Yet, in one case, that of the Saidapet Weavers' Co-operative Society, in which factions had brought about a deadlock, the leader of one party, appealed against my order of supersession to the High Court; but the appeal failed.

6. *Liquidation.*—During the year, the registration of 158 co-operative societies was cancelled under sections 44 and 45 of the Madras Co-operative Societies Act, and there were in all 1,058 societies under liquidation. Of these, the affairs of 203 societies were finally closed, and, at the end of the year, there were 855 societies under liquidation. The total assets pending realization in all the 1,058 societies amounted to Rs. 37·86 lakhs. Of this, a sum of Rs. 5·73 lakhs was collected in cash while a sum of Rs. 5·43 lakhs had to be written off. The percentage of cash collections to demand works out to 15·3. Cash collections and assets written off during the pervious year were Rs. 2·48 lakhs and Rs. 7·75 lakhs respectively. There was a marked improvement in cash collections during the year as compared with those of the previous year.

A statement showing the position of assets and liabilities in liquidated societies classified according to the period of liquidation as at the end of the year is furnished below :—

	Number of societies.	Assets to be recovered at the end of the year.	Assets in cash at the end of the year.	Liabilities to be discharged	
				Members.	Non-members.
		RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).
(a) Societies under liquidation for over 10 years.	160	7·92	0·22	2·03	7·94
(b) Societies under liquidation for over 5 years but below 10 years.	224	6·62	0·41	1·51	4·11
(c) Societies under liquidation for below 5 years.	471	11·88	1·16	4·45	6·96
Total ..	855	26·42	1·79	7·99	19·01

At the beginning of the year. Special Co-operative Sub-Registrars for liquidation and execution work were working in the Malabar, Chingleput, North Arcot, Ramnad, Tanjore, Kurnool and East Godavari districts. Of these, the posts in the East Godavari, Kurnool and Tanjore districts were retrenched during the year as there was not sufficient work for them. Special attention was paid to the societies which were under liquidation for over ten years with a view to speed up the final closing of their affairs.

7. *Prosecutions.*—Besides the 57 prosecutions for misappropriation of funds, falsification of accounts, etc., pending disposal at the beginning of the year, 63 more were sanctioned during the year, of which eleven cases were filed by the societies themselves. Of these 120 cases, thirty-four were disposed of during the year resulting in the conviction of ten office-bearers and nineteen paid employees. At the end of the year, 86 prosecutions were pending disposal with the police and the courts. These cases related to 93 co-operative societies and 68 office-bearers and 77 paid employees were involved in them. It is unfortunate that the number of prosecutions are on the increase; but if the rot is not to set into the movement, it is necessary that every instance in which a *prima facie* case is made out should be put up before the courts without mercy. The plea of having paid off misappropriated amounts often advanced as an argument for dropping the case should not be accepted in the larger interests of the movement.

8. *The Act and the rules.*—The proposals to enact *enbloc* amendments to the Madras Co-operative Societies Act VI of 1932, are still under the consideration of Government. They have asked me to place the proposed amendments before the Provincial Co-operative Advisory Council for its opinion. During the year, Government at the request of the Mysore Government, extended the scope of section 57 (*c*) of the Madras Co-operative Societies Act, providing for the execution of awards and decrees obtained by co-operative societies in that state against the defaulters in this Province through the Co-operative Department on a reciprocal basis. A new rule XXVII-B was framed under the Act requiring co-operative societies which maintain paid employees to obtain securities from them in such standards and forms as may be prescribed by the Registrar.

9. *Deputation of departmental officers to co-operative institutions.*—At the end of the year, 349 subordinates of the department were working in co-operative institutions as secretaries, managers, etc. Of these, the services of 128 subordinates were given on foreign service terms while those of 221 were under Fundamental Rule 127. The officers so deputed consisted of 67 Sub-Registrars, 265 Senior Inspectors and 17 Junior Inspectors. Of these, 13 were working in central banks, 134 in consumers stores, 115 in weavers' societies, 32 in sale or marketing societies, 18 in credit societies and the remaining 37 in various other societies. In spite of my persistent advice to co-operative organizations to employ their own

staff and not to ask for the services of departmental staff for administrative work, the number of subordinates deputed for such work in the societies increased during the year, culminating in a request from even the Provincial Co-operative Bank for the loan of the services of a Deputy Registrar as its Secretary. Resistance to requests for the loan of departmental men is sometimes mistaken for an unhelpful attitude of the department. I should like to make it clear that the disinclination to spare my subordinates for work in co-operative institutions is due to a shortage of hands in the department for its own work and to my anxiety to ensure that a movement based on the principle of self-help should depend less and less upon departmental help.

10. *Grants-in-aid.*—Government continued to grant liberal subsidies to co-operative societies, especially to special types of non-credit societies, towards the cost of establishment, purchase of equipment, etc., in their initial years of working. Along with the question of withdrawing audit concessions, Government wanted me to examine the question of withdrawing other concessions (statutory and non-statutory) enjoyed by co-operatives. So far as the statutory concessions are concerned, Government agreed with me that the time was not ripe to withdraw the existing concessions.

A statement showing the subsidies and grants sanctioned and disbursed during the co-operative year 1948–49 is furnished below :—

Type of societies.	Purpose for which the subsidy or grant was sanctioned.	Amount sanctioned.	Amount drawn and disbursed during the year.
		RS.	RS.
Harijan and backward community societies.	Scriptory grant	1,663	1,570
Egg marketing societies.	Pay of establishment under egg production scheme.	17,627	13,322
Milk supply societies and unions.	Milk recording schemes, etc.	17,048	10,441
Cumbly, blanket and handspinners societies.	Pay of establishment, purchase of equipment, etc.	2,000	2,000
Land colonization societies.	For purchase of bulls, sinking of wells, construction of houses, introduction of cottage industries, etc.	1,04,426	82,763
Leather workers societies.	Purchase of tools, machinery, etc.	3,305	3,305
Cottage industries societies including women societies.	Pay of establishment and contingencies, etc.	9,570	7,939
Cattle breeding societies.	Purchase of breeding bulls, establishment charges, etc.	2,141	1,822
Co-operative credit societies.	Construction of godowns..	4,600	2,000
Anamalai Estate Workers Thrift Society.	To meet establishment charges for the first year.	3,000	..
Co-operative stores societies.	For opening depots for the agency and hill tribes.	9,150	1,599
Co-operative institutes and other societies.	Library grant, co-operative education and training, purchase of radios, conduct of dramas, etc.	6,470	4,655
Co-operative sale societies.	For compost manure ..	1,254	1,254
Central co-operative banks in the Province.	Subsidy to employ additional supervisors for the expansion and reorganization of village credit societies.	1,29,648	...
Central banks in the Rayalaseema districts (viz., Anantapur, Bellary, Cuddapah, Kurnool and Chittoor).	Subsidy to wipe off their bad and doubtful debts.	1,61,743	..
Do.	Subsidy to issue loans at a reduced rate of 5 per cent to the ultimate borrowers.	71,680	..
Central Land Mortgage Bank.	Subsidy to issue long-term loans to agriculturists in the Rayalaseema districts at 4 per cent interest per annum for five years.	6,75,000	..
	Total ..	12,20,325	1,32,670

11. *Cost of working the department.*—The statement below indicates the details of expenditure incurred on the department during the financial year 1948–49. It includes the expenditure for the control of societies for the resettlement of ex-servicemen and for the amelioration branch of prohibition.

	RS. (IN LAKHS).
Pay of Registrar	0·19
Pay of officers	2·30
Pay of establishment	24·50
Allowances and contingencies	20·41
Dairy Development scheme	0·28
Grants-in-aid	4·37
Cost of milk distributed to priority consumers and school children	0·82
Total ..	52·87

	RS. (IN LAKHS).
Less amount recoverable from the Government of India on account of the Dairy Development Scheme	0·14
Net cost ..	52·73

The income derived through the department amounted to Rs. 12·28 lakhs as against Rs. 8·89 lakhs in the previous year. Excluding the income derived and the cost of milk distributed to the priority consumers and school children, the net cost to Government on this department was only Rs. 39·63 lakhs as against Rs. 32·04 lakhs in the previous year. This included Rs. 4·05 lakhs of expenditure incurred on ameliorative work connected with prohibition work in all the 25 districts of the Province, as against Rs. 7·52 lakhs incurred on that work when it was under the Revenue Board with only 16 districts. The increase in the cost of working the department during the year under report was by no means considerable and the percentage of net departmental cost to the total working capital of the movement remained at 0·56 as in the previous year.

PART B.

Detailed Working of Various Types of Co-operative Societies

CHAPTER I.

Co-operative Credit (Agricultural and Non-Agricultural).

1. *The Madras Provincial Co-operative Bank, Limited.*—The transactions of the Provincial Co-operative Bank increased during the year as will be seen from the financial particulars furnished below :—

	30th June 1949. RS. (IN LAKHS).	30th June 1948. RS. (IN LAKHS).
Paid-up share capital	14·64	8·99
Total deposits held	546·32	460·54
Government loans	190·00	100·00
Advances from Reserve Bank of India.	51·01	..
Reserve fund	41·50	35·00
Other funds	12·07	13·62
Working capital	855·54	618·15
Loans issued to the central banks during the year	784·34	435·54
Net profit during the year	3·61	4·61

Including the loans and advances raised from the Government, the Reserve Bank of India and the Imperial Bank of India, the total borrowings of the bank during the year amounted to Rs. 91·01 crores as against Rs. 51·28 crores in the previous year. These large borrowings were due to the increased demand from the affiliated central banks for funds to finance the procurement and distribution of foodstuffs, cloth and yarn entrusted to co-operatives by the Government. As in the previous two years, Government recognized that the imposition of additional burdens on the co-operative movement should be accompanied with financial assistance from them. They therefore advanced a loan of Rs. 190 lakhs to the Provincial Bank during the year repayable by 1st May 1949. This loan was renewed later and made repayable on 31st July 1950. An advance of Rs. 50 lakhs more was given to meet the requirements of the South Kanara, Anantapur, Hospet and Salem Central Banks where the work of procuring foodstuffs was particularly heavy. The entire amount was drawn during January 1949 and paid off with interest by 30th June 1949. Still, more money was needed for the procurement of foodstuffs; and Government obtained a cash credit accommodation of Rs. 2 crores on their guarantee from the Imperial Bank of India for the Provincial Bank. The entire amount was repaid by 30th June 1949. For financing seasonal agricultural operations and for the marketing of crops, the Reserve Bank of India continued to provide funds to a few select central banks, through the Madras Provincial Co-operative Bank at a concessional rate of $1\frac{1}{2}$ per cent per annum. The total amount of loans so provided amounted to Rs. 96 lakhs; but on 30th June 1949, bills rediscounted by the Provincial Bank with the Reserve Bank amounted to only Rs. 51 lakhs. All these borrowings put together exceeded the normal borrowing limits of the Provincial Bank which is 12 times its paid-up share capital and reserve fund. On 30th June 1949, the borrowings of the bank represented 14 times its paid-up share capital and reserve fund. This proportion, which is within the relaxed credit limit allowed by Government, would have been larger had not the bank called upon all its member central banks to take additional shares with it up to a maximum of Rs. 50,000 per bank. Now 26 out of 31 central banks hold the maximum number of shares in the Provincial Bank. The total loans, cash credit, etc., given by the Provincial Bank to the district central banks were nearly Rs. 350 lakhs more than they were in the previous year. The bulk of the advances were made to consumers' stores for the procurement and distribution of foodstuffs and textiles. The following statement shows the loans issued to banks for different purposes during the last two years.

	1948–49. RS. (IN LAKHS).	1947–48. RS. (IN LAKHS).
For financing primary societies ..	144·57	73·89
For financing sale societies ..	124·77	80·15
For financing consumers' stores for normal business	262·77	166·31
For financing consumers' stores for procurement operations ..	252·23	115·19
Total ..	784 34	435·54

The total amount of loans and cash credits outstanding against central banks at the end of the year was Rs. 483·19 lakhs. For the first time in several years, eight of the central banks defaulted in the repayment of loans to the Provincial Bank on the due dates. On 30th June 1949, however, a sum of Rs. 28 lakhs was overdue from only two central banks. This was due largely to the fact that some central banks had to meet large commitments made for financing food-procurement and textile distribution and that the consumers' stores were not able to repay the amounts borrowed from central banks in time for lack of timely release orders from the Civil Supplies department. The entire overdues were collected soon after the close of the year.

The Provincial Bank continued to grant subsidies and subventions to the central banks for the development of the movement. During the year under report, it disbursed a sum of Rs. 25,000 as general subsidy to central banks for rectification and rehabilitation work in rural credit societies and a sum of Rs. 15,800 as subventions to meet the expenditure towards the supervision of non-credit societies. It also disbursed Rs. 9,000 for the development of cottage industrial co-operatives.

2. *Central Co-operative Banks.*—On the merger of the Pudukottah State with this Province, the Pudukottai Central Bank raised the number of central banks in this Province to 31 at the end of the year. The number of societies affiliated to central banks at the end of the year was 16,308 and the number of individual share-holders was 4,161. The owned, borrowed and working capital of all the central banks at the end of the last two years were as follows :—

	On 30th June 1949.	On 30th June 1948.
	RS. (IN LAKHS).	RS. (IN LAKHS).
Owned capital	190·08	169·85
Borrowed capital	1,554·48	1,237·11
Working capital	1,744·56	1,406·96

Although the owned capital of the central banks increased by Rs. 21 lakhs, their total borrowings also increased by Rs. 320 lakhs. Not only did the procurement and distribution of foodstuffs and textiles by co-operatives necessitate the increased borrowings but also the expansion of the normal activities of the movement required it. In the case of four central banks, Government advanced loans directly to them, because at the time the Provincial Bank had exhausted its borrowing limit. The central banks at Mangalore, Kurnool, Ramachandrapuram and Kakinada were accommodated in this way with a total loan of Rs. 32 lakhs at 3 per cent interest and at the end of the year a sum of Rs. 8·50 lakhs was due to Government from Kurnool and Ramachandrapuram Central Banks. Government also provided the Pudukottai Central Bank with an accommodation of

Rs. 75,000 soon after the merger of the State as it was not immediately possible to affiliate this bank to the Provincial Bank. The following statement shows the borrowings outstanding at the end of the year within the movement and outside it :—

	30th June 1949.	30th June 1948.
	RS. (IN LAKHS).	RS. (IN LAKHS).
Within the movement—		
(i) Provincial and other central banks	585·84	352·46
(ii) Other co-operative societies ..	432·07	394·37
Total ..	1,017·91	746·83
Outside the movement—		
(i) Government	10·50	..
(ii) Individuals and other institutions	526·07	490·27
Total ..	526·57	490·27

In order to enable the banks to borrow the funds necessary to meet the increased demands, Government continued the concession of permitting them to borrow up to an upper limit of 20 times their owned capital. Within this maximum, the credit limits of 26 central banks were raised in excess of the normal credit of 10 times their paid-up share capital and reserve fund when the need arose and when there was enough justification for it. The total borrowings of all the central banks put together at the end of the year were, however, within 10 times their total paid-up share capital and reserve fund. In consultation with the Reserve Bank of India, Government revised the standard of fluid resources to be maintained by co-operative central banks and other limited liability credit societies. This revision also helped the central banks to utilize more of their funds in their business.

During the year, the central banks issued Rs. 47·44 crores as loans and cash credits to their affiliated societies as against Rs. 33·14 crores in the previous year. The statement below shows the amount of short term and medium and long term loans issued in the last two years :—

	1948-49. RS. (IN LAKHS).	1947-48. RS. (IN LAKHS).
Short term	4,616·41	3,190·59
Medium and long term	127·21	123·88
Total ..	4,743·62	3,314·47
Proportion of short term to medium and long term loans	35 : 1	26 : 1

The statement below shows the extent to which the central banks financed the different types of societies in the last two years :—

—	1948–49. Loans. RS. (IN LAKHS).	Cash credits. RS. (IN LAKHS).	Total. RS. (IN LAKHS).
(1)	(2)	(3)	(4)
1 Agricultural credit societies	465·13	99·80	564·93
2 Marketing societies	89·41	292·61	382·02
3 Weavers' societies	16·44	376·09	392·53
4 Primary stores	15·70	676·34	692·04
5 Wholesale stores	320·45	1,516·82	1,837·27
6 Others	174·93	699·90	874·83
Total ..	1,082·06	3,661·56	4,743·62

—	1947–48. Loans. RS. (IN LAKHS).	Cash credits. RS. (IN LAKHS).	Total. RS. (IN LAKHS).
	(5)	(6)	(7)
1 Agricultural credit societies	377·81	65·13	442·94
2 Marketing societies	114·96	261·63	376·59
3 Weavers' societies	11·21	116·03	127·24
4 Primary stores	8·61	357·09	365·70
5 Wholesale stores	158·38	1,072·45	1,230·83
6 Others	146·92	624·25	771·17
Total ..	817·89	2,496·58	3,314·47

While the increase in the volume of loans disbursed to consumers' stores and weavers' societies was on account of the food procurement and textile distribution work undertaken by these societies, the increase in the case of rural credit societies was due to the increased demand for funds for agricultural operations. The latter societies absorbed nearly Rs. 120 lakhs more than they did in the previous year.

The proportion of cash resources, investment in Government securities and loans and advances excluding overdrafts to total borrowings of the central banks was as follows on 30th June 1949 :—

	Amount. RS. (IN LAKHS).	Percentage to total borrowings.	Reserve Bank's standard (percentage).
Cash on hand and with banks ..	169·94	11·00	10
Investment in Government securities	199·86	12·29	30 to 40
Loans and advances (excluding overdrafts)	881·97	56·74	50 to 55

The central banks were unable to invest more in Government securities as they had to utilize their borrowings for more pressing and urgent needs such as financing agricultural operations, procurement and distribution of foodstuffs, textiles, etc. The total investments in Government securities, however, increased by over Rs. 7 lakhs during the year.

The percentage of overdues to demand in respect of principal, which was falling progressively in the past five years, rose slightly during the year under report. Overdues in Hospet, Guntur, Ramnad, Chicacole, South Arcot and Nellore Central Banks contributed to the increase; but it is gratifying to record that as in the previous year, the Coimbatore, Mathurai, Salem, Tirunelveli and Tiruchirappalli Central Banks collected the entire demand both under principal and interest. Besides these five banks, 14 others had no arrears under interest. The percentages of balance to demand under principal, interest—arrear and current—were as follows in the past five years :—

	Percentage of balance to demand. Principal.	Interest. Arrear.	Interest. Current.
1948–49	5·27	71·64	0·26
1947–48	5·05	73·66	0·52
1946–47	5·20	77·57	0·82
1945–46	6·22	51·69	0·48
1944–45	6·99	45·82	0·70

The bad and doubtful debts in respect of loans outstanding to Central Banks from both living and cancelled societies were estimated at Rs. 17 lakhs at the end of the year. The total amount of specific reserves created for this purpose was Rs. 15·29 lakhs in addition to the statutory reserve funds which amounted to Rs. 52·09 lakhs. Except in the case of the Cuddapah and Chicacole Central Banks the total reserves were in excess of the estimated bad and doubtful debts. In accordance with the recommendation of the Rayalaseema Co-operative Enquiry Committee Government have, since the close of the year under report, sanctioned as a special case a subsidy of Rs. 1·62 lakhs to the Central Banks in the Rayalaseema to wipe off their bad and doubtful debts and enable them to start with a clean slate.

With a view to providing cheap credit to agriculturists in the economically backward districts of Cuddapah, Kurnool, Bellary, Anantapur and Chittoor, the Rayalaseema Co-operative Enquiry Committee had recommended in 1946 the abolition of the five Central Banks there and the opening of branches of the Provincial Bank instead. The Provincial Bank was not in favour of this proposal, and co-operative opinion in the province as a whole was opposed to the idea of the Provincial Bank replacing local central banks as a retrograde step. I, therefore, suggested to Government that they might subsidize the Central Banks so as to enable them to lend at 5 per cent to the ultimate borrowers. This scheme was considered at a conference of co-operators intimately connected with the Rayalaseema area and was recommended to Government with certain modifications. Government accepted the proposal. Under the scheme, the Central Banks which borrow funds at 3 per cent will lend to these societies at 3½ per cent and the latter will finance the agriculturists at 5 per cent. The Central Banks will get a subsidy of 1 per cent on these loans and their average margin of profits will thus be retained at 1½ per cent. The scheme is to be tried only for one year for the present, and Government have sanctioned a total subsidy of Rs. 71,680 for the purpose to all the five banks to be utilized during 1949–50. Government have also sanctioned a subsidy of Rs. 21,900 to these Central Banks to meet the additional cost of supervisors suggested by me to implement the scheme, although they observed that the scale of 15 societies per supervisor would suffice as against a scale of 12 societies per supervisor suggested by me.

The total net profits of all the 31 Central Banks for the year were Rs. 16.68 lakhs as against Rs. 11.81 lakhs in the previous year. The costs of management during the year amounted to Rs. 19.84 lakhs which are nearly Rs. 7 lakhs in excess of the cost incurred in the previous year. The cost of management was a little over 1 per cent of the working capital.

Election disputes in the Central Banks at Rajahmundry, Hospet and Guntur greatly retarded their progress in various directions. In Guntur and Rajahmundry the disputes were even taken to civil courts. Since the close of the year, the management of the Guntur Central Bank was superseded and the Deputy Registrar of the district was appointed as its special officer. It is unfortunate that election disputes should arise in Central Banks. Not only do these disputes break the harmony that should be the hall-mark of co-operation but they spell untold harm on the constituents by depriving them of funds in time. No efforts will be too great to compose differences at elections and nothing would be more noble than to take a defeat at the election in a sportsmanly spirit.

On a representation made by the co-operators of the Nilgiris District, Government ordered the formation of a separate Central Bank for the District. The Provincial Bank and the Central Bank at Coimbatore, which is now financing the Nilgiris District, have agreed to this course. Steps are being taken to form the new Central Bank as early as possible.

3. *Agricultural credit societies (excluding land mortgage banks).*—During the year under report, the number of rural credit societies, their membership, owned capital, volume of business and working capital, all recorded a substantial increase :—

	On 30th June 1949.	On 30th June 1948.
Number of societies	13,740	12,056
Number of members	1,047,876	843,680
	RS. (IN LAKHS).	RS. (IN LAKHS).
Paid-up share capital	128.05	98.47
Deposits from members	22.81	18.43

	On 30th June 1949.	On 30th June 1948.
	RS. (IN LAKHS).	RS. (IN LAKHS.)
Deposits from non-members	29.97	26.98
Loans due to financing banks and other societies	534.69	441.88
Loans due to Government	2.66	3.42
Reserve fund	100.66	97.01
Other Funds	38.21	36.45
Total working capital	857.05	722.64
Net profits during the year	11.84	9.09
Total loss sustained in the year ..	11.44	11.66
Total amount of loans issued during the year	496.10	440.01

Including the Jaggery Co-operative Societies formed for ex-toddy tappers, 1,875 rural credit societies were registered during the year under report as against 707 societies registered in the previous year. Three hundred and eighty-four societies had not started work at the end of the year. The share capital subscribed by the members increased by nearly Rs. 30 lakhs and the members' deposits also increased by Rs. 4 lakhs.

The agricultural credit societies issued nearly Rs. 5 crores of loans to the members. It is significant that of this amount, nearly Rs. 4.70 crores were utilized for productive purposes such as cultivation expenses, purchase of cattle, improvement to lands, etc. The progressive increase in the issue of loans to agriculturists for agricultural production indicates an increasing realization on the part of co-operative societies of the need to participate in the Grow More Food Campaign in the Province. A comparative statement of loans issued for productive and other purposes in the last two years is given below :—

	1948–49.		1947–48.	
	Amount.	Percentage to total loans issued.	Amount.	Percentage to total loans issued.
	RS. (IN LAKHS).		RS. (IN LAKHS).	
Loans issued for productive puposes	469.88	94.76	414.70	94.23
For discharge of prior debts..	23.59	4.75	23.60	5.37
For non-productive purposes.	2.63	0.49	1.71	0.40
	496.10	100.00	440.01	100.00
Loans outstanding at the end of the year	659.12	..	555.94	..

The scheme of issuing cash credit loans to members without the previous approval of the financing banks was continued during the year under report. Five hundred and forty-two credit societies in 24 districts sanctioned cash credits to the extent of Rs. 17.42 lakhs. Rs. 24.41 lakhs were disbursed during the year to the members by drawing upon the cash credits. The Reserve Bank of India appreciated the usefulness of this scheme and commended it to other provinces for adoption.

The percentage of overdues to demand in respect of loans due from members recorded a slight increase over that of the previous year. But the overdue position in respect of interest (arrear and current) slightly improved. The statement below indicates the position :—

	Percentage of balance to demand.	
	On 30th June 1949.	On 30th June 1948.
Principal	26·11	25·83
Arrear interest	67·88	74·42
Current interest	22·87	24·19

Of the 13,740 societies, 7,682 societies worked at a total profit of Rs. 11·84 lakhs, 5,538 at a loss of Rs. 11·44 and the remaining 520 societies had neither profit nor loss. There was substantial increase under profits, while losses decreased slightly.

4. *Non-agricultural credit societies.*—The following statement shows the progress made by urban credit societies and employees credit societies during the last two years :—

	On 30th June 1949.	On 30th June 1948.
Number of societies	1,161	1,138
Number of members	441,859	393,269
	RS. (IN LAKHS).	RS. (IN LAKHS).
Paid-up share capital	163·99	131·43
Deposits of members	231·15	218·53
Deposits by non-members	325·72	330·46
Loans from central banks and other societies	107·29	119·64
Loans due to Government	..	..
Reserve Fund	58·37	53·21
Other funds	22·63	19·66
Total working capital	909·15	772·93
Net profits	12·87	9·89
Total loss	1·05	1·14

Of the 1,161 societies, 217 societies were urban banks maintaining fluid resources, 600 were employees societies and 344 were other limited and unlimited liability urban credit institutions. The urban credit movement in this Province is gaining strength from year to year. Some of the well-established urban banks are doing all kinds of banking business including the discounting of cheques of approved customers. Collection of bills is becoming a common feature with nearly all of them.

During the year under report, the non-agricultural credit societies issued nearly 106 lakhs of rupees of loans more than they did in the previous year. The total amount of loans issued during the year was Rs. 776·42 lakhs while the loans outstanding at the end of the year amounted to Rs. 682·87 lakhs. The members' share capital and deposits in the societies at the end of the year were Rs. 395·14 lakhs which represent nearly 58 per cent of the total loans outstanding against them. There is a tendency on the part of certain urban banks to issue big loans to traders and well-to-do persons. Out of Rs. 7·76 crores disbursed during the year, only Rs. 3·67 crores were given as small loans of less than Rs. 250. These banks will be helping the lower middle class people more if they issue more small loans. They are also issuing loans liberally on the pledge of gold jewels. During the year under report, urban credit societies other than employees' societies issued Rs. 79·14 lakhs of cash credit loans, Rs. 78·50 lakhs on the pledge of jewels and Rs. 8·90 lakhs on the pledge of finished products besides ordinary loans on personal sureties and on the mortgage of immovable properties.

The employees' societies continued to have increased transactions this year also. The following table shows the number of different kinds of employees societies and the amount of loans issued by them during the year :—

	Number of societies.	Amount of loans issued.
		RS. (IN LAKHS).
Societies—		
1 Exclusively for Government servants ..	216	172·64
2 For Municipal and Local Board employees	244	55·33
3 For employees of business concerns ..	97	67·38
4 For employees of industrial concerns ..	56	15·84

The system of collecting compulsory thrift deposits from the members of these societies is being continued and the total amount of such deposits at the end of the year was nearly Rs. 121 lakhs.

There was no perceptible change in the overdues position in respect of members' loans. The percentage of overdues to demand under principal was 11·29 while the percentages under arrear and current interest were 39·24 and 11·77.

5. *Co-operative land mortgage banks*—(a) *The Madras Co-operative Central Land Mortgage Bank, Ltd.*—The following statement shows the general financial position of the bank at the end of the last two co-operative years :—

	On 30th June 1949.	On 30th June 1948.
Number of primary land mortgage banks affiliated	119	120
	RS. (IN LAKHS).	RS. (IN LAKHS).
Paid-up share capital	12·38	11·94
Borrowings in the form of debentures ..	421·31	342·03
Other borrowings	13·22	45·38
Reserve Fund	18·41	17·29
Other funds	5·79	5·09
Working capital	471·11	421·73
Net profits	2·26	2·34

In the last administration report, I observed that the loans issued by the bank during that year were the largest in the history of the bank. The bank did better during the year under report. It disbursed Rs. 16·18 lakhs more, or Rs. 77·73 lakhs in all.

In order to meet the increased demand for long-term finance the Bank issued during the year two new series of debentures for an aggregate sum of Rs. 90 lakhs at 3 per cent interest. They were subscribed in full. Since the close of the year, the bank issued another series of debentures for Rs. 27 lakhs, again at 3 per cent. Even this was fully subscribed. The Reserve Bank of India had agreed to subscribe to these debentures to the extent of 10 per cent of the issue. But the demand for these debentures from the public was so great that the Bank availed itself of this offer only partially. The success of these three debenture issues, and, particularly of the last, which was issued when the money market was very tight, is a testimony of the esteem of the investing public earned by the sound administration of the Bank all these years. During the year under report, the Government raised their guarantee of the principal and interest of the debentures from Rs. 4 crores to Rs. 4·50 crores. Since the close of the year, they have raised it still further to Rs. 5·50 crores. The total value of debentures in circulation on 30th June 1949 was Rs. 421·31 lakhs. The Rayalaseema Co-operative Enquiry Committee had recommended that the cost of long-term loans in the districts of Kurnool, Bellary, Cuddapah, Anantapur and Chittoor should be reduced so as to suit the economic conditions there. For this purpose, it advocated the abolition of primary land mortgage banks and suggested that the Central Land Mortgage Bank should lend direct to agriculturists or through primary agricultural societies. The Central Land Mortgage Bank and co-operators in general were not in favour of the proposal. I suggested to Government that the object in view could be met without changing the structure of the Land Mortgage Banking system if Government would provide a subsidy. The suggestion was considered by a conference of co-operators and accepted by Government.

(b) *Primary land mortgage banks.*—With the cancellation of registration of the Tadepalligudem Land Mortgage Bank, there were 119 primary banks in the Province at the end of the year and their financial position is indicated in the statement below :—

	On 30th June 1949.	On 30th June 1948.
Number of banks	119	120
Number of members	112,998	97,969
	RS. (IN LAKHS).	RS. (IN LAKHS).
Paid-up share capital	27·81	24·21
Loans due to Central Land Mortgage Bank	338·32	291·41
Reserve Fund	6·86	6·48
Other Funds	1·24	1·20
Working Capital	374·23	323·30
Net profit	1·14	1·14
Loss	0·27	0·43

During the year under report, Government permitted the organization of nine new banks, of which two were registered, one at Kallakurichi in the South Arcot district and the other at Karur in the Tiruchirappalli district. The rest are under organization.

During the year under report, the primary banks disbursed loans to the extent of Rs. 75·87 lakhs as against Rs. 62·33 lakhs in the previous year. The table below indicates the comparative position of loans disbursed for different purposes in the last two years :—

Purpose.	1948–49. RS. (IN LAKHS).	1947–48. RS. (IN LAKHS).
For land improvement	5·36	2·58
For purchase of lands to round off holdings	3·36	0·76
For discharge of prior debts	65·82	58·87
For other purposes	1·33	0·12
Total ..	75·87	62·33

In all, nearly 3,500 loans were issued as against 3,000 loans in the previous year. The number and the amount of loans classified according to their volume are shown in the statement below :—

	1948–49. Number.	1948–49. Amount. RS. (IN LAKHS).
Amounts less than Rs. 1,000	1,282	8·52
Amounts more than Rs. 1,000 and less than Rs. 5,000	1,932	47·49
Amounts more than Rs. 5,000 and less than Rs. 10,000	239	15·41
Amounts more than Rs. 10,000, not exceeding Rs. 15,000	32	4·45
Total ..	3,485	75·87

The overdues in members' loans under principal increased slightly during the year under report while the interest overdues were reduced considerably. The percentages of overdues to demand under principal and interest were as follows :—

	1948–49.	1947–48.
Principal	4·67	3·01
Arrear interest	3·94	25·19
Current interest	1·15	2·59

The increase in overdues under principal was contributed by the banks in the Nellore and East Godavari districts. The advance collections under principal amounted to Rs. 12·61 lakhs.

During the year under report, Government sanctioned three more posts of Co-operative Sub-Registrars for work connected with the starting of new banks under the usual conditions, viz., that half their cost should be met by the Central Land Mortgage Bank. As a result of this increase, there are now 40 Co-operative Sub-Registrars for land mortgage banks.

The Retrenchment and Reorganization Committee recommended to Government that the concession in regard to the fees for the registration of documents of the value of Rs. 5,000 and above enjoyed by the members of co-operative societies should be withdrawn as it benefited only the richer class of members. Government accepted this recommendation, but withdrew the concession only in respect of documents the value of which exceeded Rs. 5,000.

On a representation made by the Co-operators of Coorg to the Honourable Minister for Co-operation and the Registrar, during their visit to that Province, it was agreed that a primary land mortgage bank should be registered for the area and that it should be financed by the Madras Co-operative Central Land Mortgage Bank. Accordingly the by-laws of the Central Land Mortgage Bank were amended to extend its area of operations to Coorg and to give it representation on the Board. But subsequently, the Coorg Provincial Co-operative Bank wanted the Central Land Mortgage Bank to provide long-term money for Coorg through it, instead of through a separate primary land mortgage bank. I could not agree to the proposal as it was opposed to the practice in this Province of keeping short and long term financing separate and as it would upset the mortgage banking structure built up in this Province with care over 20 years.

CHAPTER II.

Co-operative Marketing.

1. *Sale societies*—(a) *General progress.*—During the year under report, 44 producers'-*cum*-consumers' co-operative societies in the two Godavari districts and in the Guntur district were reorganized and converted into co-operative marketing societies. Including these and the two marketing societies in the Pudukkottai area, the number of sale societies at the end of the year was 238 as against 192 societies at the beginning of the year. A statement showing the progress made by these sale societies during the last two years is furnished below :—

	1948-49.	1947-48.
Number of sale societies	238	192
Number of members	158,772	115,483
	RS. (IN LAKHS).	RS. (IN LAKHS).
Paid-up share capital at the end of the year	50·39	18·16
Loans and advances issued during the year	144·11	188·20
Value of produce sold as agent ..	132·87	152·85
Value of produce sold as owner ..	127·38	67·82
Value of seeds, manure and agricultural implements sold	13·27	6·10

The substantial increase in the paid-up share capital of the societies was contributed by the Producers'-*cum* Consumers' Societies which were reorganized into sale societies. The reimposition of controls and the reintroduction of Province wide procurement of foodgrains during the year again retarded the progress of the sale societies. There was reduction in the amount of loans and advances issued by them and also in the value of members' produce marketed by them as agents. The ryots do not have the incentive or need to hold over their produce and market it through co-operative marketing societies under controls over prices and movements. Some of these societies, however, developed their business under outright purchases. The distribution of groundnut cakes at controlled rates also provided good business to some of the sale societies. The marketing societies in Salem, South Kanara, Malabar, Coimbatore and Bellary did substantial business under marketing of members' produce on commission basis.

(b) *Storage facilities.*—The proposal to grant subsidies to the extent of 50 per cent of the cost of godowns put up by co-operative sale societies and rural credit societies indicated in the last year's report was accepted by Government as a five-year programme. Rupees 5 lakhs were provided in the budget for 1949–50. Co-operative sale societies and village credit societies will be eligible for these subsidies on the following terms :—

(i) If the local collections by way of donations from members and non-members come up to 50 per cent of the cost of construction of godowns the other half will be given by Government as free grant;

(ii) If the local collections come up only to 25 per cent a Government loan of 25 per cent and a free grant of 50 per cent will be given; and

(iii) In the event of there being no local collections, a free grant of 50 per cent and a Government loan of 50 per cent will be given.

The results of this generous help have been encouraging and will be narrated in the next annual report.

During the year under report now, free grants amounting to Rs. 15,474 were sanctioned by Government to the Samalkot Marketing Society, the Palacole Fruit Growers' Co-operative Society and the Lalgudi-Sivagnanam Agricultural Society to meet a portion of the cost of construction of godowns undertaken by them. The Malabar Produce and Sale Society was given a Government loan of Rs. 22,500 for the construction of a godown at Kalpatta in the Wynad taluk for stocking pepper and coffee. The 10 groundnut godowns constructed by the Agricultural Department continued to be in charge of 10 Sale Societies at Amudalavalasa, Jaggayyapetta, Tiruppattur, Voyalpad, Guntur, Ariyalur, Vizianagaram, Arni, Tadpatri and Bellary.

(c) *Procurement work.*—During the year under report, only 20 sale societies undertook the procurement of food-grains to a very limited extent. In all, they procured 8,938 tons of paddy and rice valued at Rs. 21·78 lakhs and 1,898 tons of millets valued at Rs. 4·15 lakhs. Compared with the previous year, the volume of business under this head declined considerably. This was due to the fact that procurement work was regarded as the legitimate function of consumers' societies. Only where there were no consumers' societies to do the work, the sale societies were entrusted with this work.

(d) *Processing activities.*—Six sale societies in Malabar, Ramnad, Tirunelveli and Tiruchirappalli undertook processing activities and the total value of produce processed during the year amounted to Rs. 8·30 lakhs as against Rs. 6·02 lakhs in the previous year. The produce generally handled was arecanut, cotton and paddy. Two sale societies in the Tirunelveli district alone undertook the ginning of cotton valued at Rs. 5·36 lakhs.

(e) *Outright purchases.*—On account of the fall in the business in the marketing of members' produce on agency basis, some of the progressive sale societies were permitted to make outright purchases of members' produce for sale in the local markets or for export to other countries. During the year under report the total value of outright purchases of members' produce amounted to Rs. 125·18 lakhs as against Rs. 58·14 lakhs in the previous year. The value of produce sold during the year under this head was Rs. 127·38 lakhs.

(f) *Export trade.*—In my previous report, I referred to the export trade with Ceylon undertaken by some of the sale societies in the Province. On the recommendation of the Madras Government, the Government of India allotted 10 per cent of the exportable surplus of onions, chillies, vegetables, dried fish, etc., to co-operative societies for being exported to other countries. This concession was fully availed of by five sale societies and one marketing federation in the Province. They exported particularly onions and chillies to Ceylon. The total quantity and value of the commodities exported during the year are indicated below :—

	Quantity in tons.	Value in rupees.
Onions	1,892·0	3,63,670
Chillies	103·6	1,94,432

The Dindigul Sale Society in the Mathurai district alone exported 1,392 tons of onions. The Theni Sale Society in the same district exported 33·6 tons of chillies and the Guntur Marketing Federation 70 tons more of the same commodity. Since the close of the co-operative year, the Nilgiris Co-operative Marketing Society was allotted a quota of 21,000 lbs. of English vegetables for export to Ceylon within the quarter ended 30th September 1949 and the society almost cleared the quota by that time. It is hoped that this good beginning in foreign trade will develop and grow in dimensions as the years roll on. I am

happy to record that the Ceylon Government appreciate the services of co-operatives in this direction, and, with increased allotments given by the Government of India, a flourishing overseas trade can be built up by co-operatives in this Province.

(g) *Distribution of manures, seeds and agricultural implements.*—The subsidized scheme for the purchase and distribution of compost manure manufactured by municipalities and panchayat boards was continued till 31st March 1949. The Provincial Government have permitted the extension of the scheme for one more year in anticipation of the sanction of the Government of India and are allowing the claims for subsidies. During the year under report, sale societies purchased Rs. 1·59 lakhs worth of compost manure and sold it for Rs. 1·66 lakhs. For the financial year 1948–49 a sum of Rs. 38,000 was placed at the disposal of the Inspector of Local Boards and Municipal Councils for payment of subsidy to local bodies and co-operative societies working the scheme. The distribution of controlled groundnut cake was done by the Agricultural Department till August 1948, when Government transferred the work to co-operative societies. Under this scheme 19 sale societies undertook the work and the total value of manures other than compost sold by them during the year amounted to Rs. 8·29 lakhs as against Rs. 2·58 lakhs in the previous year. Some of the sale societies continued to purchase and distribute improved varieties of seeds and agricultural implements required by the members. The total value of seeds sold by them during the year was Rs. 1·01 lakhs while that of agricultural implements was Rs. 2·31 lakhs.

(h) *Working of a tractor unit in the Proddatur Sale Society.*—I reported last year that a motor tractor had been purchased by the Proddatur Co-operative Loan and Sale Society in the Cuddapah district. This tractor helped the ryots considerably to have their lands ploughed at a cheaper cost than by using bulls. The society was charging at first Rs. 15 per acre; later, it reduced the rate to Rs. 10 per acre and approached Government for a subsidy to meet the loss that might be incurred by it on account of this reduction. Since the close of the year, Government were pleased to sanction a subsidy of Rs. 2,000 or an amount equal to the actual loss incurred by the society during the year 1948–49 whichever was less. During the year under report, the tractor ploughed 371 acres of lands belonging to both members and non-members and realized Rs. 5,470 as hire charges. The total maintenance charges including the interest on the investment amounted to Rs. 7,426 but the loss will be recouped by the disbursement of the subsidy. With the reduction in the hire charges, the tractor is expected to serve a larger number of agriculturists in the area.

(i) *Controlled Credit Scheme.*—This scheme, the details of which were indicated in my last report, was in operation in 14 districts. Forty-seven sale societies worked it through 552 rural credit societies and there was a marked improvement in the issue of loans as well as in the value of produce brought to the sale societies for marketing. The progress made in the scheme in the last two years is indicated below :—

Name of the produce.	1948–49.			1947–48.		
	Amount of loans issued.	Extent of land covered.	Value of produce brought to sale societies.	Amount of loans issued.	Extent of land covered.	Value of produce brought to sale societies.
	RS.	ACS.	RS.	RS.	ACS.	RS.
Paddy	1,34,549	6,565	2,600	79,527	5,026	..
Ragi and cholam	7,114	469	1,529	14,841	446	..
Groundnut	4,55,491	18,514	9,29,755	3,93,402	16,937	2,10,122
Cotton	60,305	3,452	69,497	32,355	837	15,010
Sugarcane	1,75,988	878	2,72,078	..	..	..
Other crops	1,67,830	5,813	1,09,414	1,60,252	3,918	1,89,654
Total ..	10,01,277	35,691	13,84,873	6,80,377	27,164	4,14,786

As in the past, six sale societies in the Salem district did excellent work in this regard. They worked the scheme through 153 rural credit societies, disbursed Rs. 2·32 lakhs for the cultivation of groundnuts and Rs. 16,270 for other crops. The value of groundnuts received for marketing under the scheme was Rs. 4·59 lakhs as against Rs. 1·91 lakhs in the previous year. Three sale societies in the Tiruchirappalli district which worked the scheme also showed improvement. They issued Rs. 29,763 as cash credit loans for cultivating groundnuts and the value of produce received for sale amounted to Rs. 63,488. The scheme requires constant and effective supervision over the rural credit societies so as to ensure that the borrowers under the scheme deliver the produce raised with the loans for sale at the marketing society. With the increased staff for supervision of the rural credit societies appointed with Government subsidy, it is hoped that further progress will be made in the current year.

The system of appointing marketing panchayatdars to arrange for the collection of the produce from members of rural credit societies and its delivery at the sale society was continued. Though some progress was made in this direction, the results could have been better. During the year under report 550 credit societies had appointed marketing panchayatdars, but only 130 of them brought produce to the sale societies to the extent of Rs. 5·15 lakhs and earned a commission of Rs. 2,362 from the sale societies. They also drew a remuneration from their respective rural credit societies for the marketing services rendered.

(j) *Special controlled credit scheme in the Ceded districts.*—The special staff of eight Senior Inspectors to develop the activities of the sale societies and work the controlled credit scheme in the Ceded districts was continued. The additional three Senior Inspectors sanctioned to work the scheme in three sale societies in the Chittoor district were also continued. The scheme was worked by eight sale societies through 146 rural credit societies and loans to the extent of Rs. 1·30 lakhs were disbursed for growing paddy, groundnut, cotton and sugarcane. Two thousand and fifty-five acres were brought under the scheme of which 1,260 acres were under groundnuts. The sale societies advanced loans on the pledge of produce to the tune of Rs. 1·60 lakhs and disposed of produce worth of Rs. 6·71 lakhs.

During the year under report, Government, on the recommendation of the Rayalaseema Co-operative Enquiry Committee, sanctioned a special staff of five Senior Inspectors at the rate of one for each district in the Rayalaseema area for the intensive supervision of the sale societies in those districts. Instead of starting new marketing societies it is proposed to revive the existing societies, develop their activities and improve their business in the marketing of members' produce.

2. *Working of some important marketing societies*—(a) *The Madras Provincial Co-operative Marketing Society*: which worked at a loss during the past two years, was able to wipe off the entire loss and make a profit of Rs. 11,512 during the year. As agent of its members it marketed goods worth Rs. 61,021 during the year. It continued to make outright purchases to run consumers' depots. The value of goods sold under this head amounted to Rs. 5·83 lakhs. During the year under report the society was appointed as the sole distributor of agricultural implements manufactured by Messrs. Tata Iron and Steel Company Limited, for distribution among co-operative institutions in the Province. The society continued to help the cottage industrial societies in the purchase of raw materials and in the disposal of their finished goods. It issued a fortnightly Madras Market Report to all the marketing societies, the District Co-operative Central Stores and to the District Co-operative Officers.

(b) *The Nilgiris Co-operative Marketing Society, Limited.*—This society had a set back in its business on account of the relaxation of controls over the price and movement of potatoes which gave rise to competition from private traders. It was able to market only Rs. 9·23 lakhs worth of potatoes during the year as against Rs. 27·31 lakhs worth in the previous year. Steps are being taken to pool the produce in interior villages with the help of the local credit societies and to market it through the marketing society. The society also attempted the marketing of local English vegetables. During the year under report it sold Rs. 6,797 worth of vegetables. But since the close of the year, it obtained a permit to export 21,000 lbs. of vegetables to Ceylon and it cleared the quota by the end of September 1949. During the year under report, it sold Rs. 45,575 worth of potatoe manure to its members. The society was maintaining six lorries for the transport of potatoes from villages to its headquarters and to its branch at Mettupalayam. The staff of one Senior Inspector and four Junior Inspectors sanctioned by Government free of cost, for distribution of manure mixture to the potatoe growers on the hills was continued during the year.

(c) *The South Kanara Agriculturists' Co-operative Marketing Society.*—The heavy loss sustained by this society in the year 1944 on account of the Bombay Dock Explosion was reduced to Rs. 42,186 at the end of the year after providing an additional sum of Rs. 48,370 towards the bad debts reserve. The society pooled its members' produce such as areca, pepper, cashewnuts, cardamoms, etc., in the villages and sold them at Mangalore, either in public auction or on commission basis. The total value of produce so sold during the year amounted to Rs. 24·76 lakhs as against Rs. 21·64 lakhs in the previous year and the commission earned was Rs. 83,427. The society also supplied the domestic and agricultural requirements of its members on the joint purchase system to the value of Rs. 1·30 lakhs.

(d) *The Salem Co-operative Marketing Society.*—This is one of the best marketing societies in the Province doing business on sound co-operative principles. It owns pucca godowns constructed at a total cost of Rs. 40,000 in pre-war days with a free grant of Rs. 10,000 from Government. It deals mainly in groundnuts and cotton and the sales are effected on commission basis. During the year it sold Rs. 15·23 lakhs of members' produce and earned a commission of Rs. 25,784. It also did very good work in the distribution of compost manure and groundnut oil cakes. Up to the end of June 1949, it distributed 6·82 lakhs cubic feet of compost manure for Rs. 21,640 and earned a subsidy of Rs. 10,678. During the year under report, it sold groundnut oil cakes to the extent of Rs. 30,212. The palmyra jaggery produced by the ex-toddy tappers' societies in the surrounding villages was sold by this society in public auction for Rs. 13,146.

3. *Marketing Federations.*—Of the five marketing federations at Eluru, Guntur, Nellore, Mathurai and Tanjore, the two at Nellore and Mathurai did not do any work. All the five federations had at the end of the year, 1,527 members with a paid-up share capital of Rs. 2·09 lakhs. The progress made by the Federations at Tanjore, Guntur and Eluru is indicated below :—

(a) *The Tanjore Marketing Federation.*—The activities of this federation were confined to Arantangi taluk only. The heavy loss of Rs. 2·33 lakhs sustained by the federation in the last few years was reduced to Rs. 1·68 lakhs by the close of co-operative year 1948–49. On account of the poor yield of paddy crop during the year under report, the federation could not procure substantial quantities of paddy and rice in the area allotted to it. It could procure them only to the extent of 8,980 tons valued at Rs. 19·81 lakhs. It also purchased groundnut oil cakes to an extent of Rs. 46,130 and distributed them to the ryots at controlled rates.

(b) *The Guntur District Co-operative Marketing Federation.*—The activities of this federation were confined to the outright purchase of chillies, blackgram and horsegram for local distribution and export to other places, including Ceylon. It exported 70 tons of chillies to Ceylon and 5½ tons to the Malabar Wholesale Stores. It purchased 2,150 bags of horsegram for distribution within the district. On account of these transactions, it was able to reduce its losses from Rs. 45,000 to Rs. 38,770 by the end of the year under report.

(c) *The West Godavari District Marketing Federation.*—In the absence of a District Central Co-operative Stores in this district the services of the federation were utilized for the wholesale distribution of mill-cloth and groundnut oil cakes. During the year under report it was allotted 2,387 bales of mill-cloth valued at Rs. 28·64 lakhs. Besides, it also purchased 398 bales from other co-operative wholesale stores in the districts and assisted the latter in the disposal of surplus stocks. It also procured and distributed 2,406 tons of groundnut oil cakes. The federation earned a net profit of Rs. 73,224 during the year.

4. *Growers' co-operative societies for fruits, vegetables, etc.*—There were seventeen societies of this type at the end of the year with 3,596 members and a paid-up share capital of Rs. 75,856. A few of them in Cuddapah, East and West Godavari, Nellore and Visakhapatnam districts issued loans to the tune of Rs. 1·13 lakhs to their members for cultivation expenses, purchase of manures, etc. The total value of fruits, vegetables, etc., marketed by them during the year amounted to Rs. 6·14 lakhs and they earned a commission of Rs. 37,730. The business done by some of these societies is indicated below :—

(a) *The Kodur Fruit Growers' Co-operative Society, Limited.*—This society deals largely in sathukudi oranges and mangoes. It continued to book them to many places in the Province. It maintained its branches at Madras, Hyderabad and Bangalore where there is a good demand for the fruits. During the year under report it marketed Rs. 3·54 lakhs worth of fruits and earned a total commission of Rs. 27,040. It also issued loans to its members for the improvement of orange and mango gardens and distributed Rs. 50,587 worth of manure. The loans due from the members at the end of the year were Rs. 1·32 lakhs.

(b) *The Palacole Fruit Growers' Co-operative Society.*—This society handles only lime fruits. On account of the slump in the market, there was a fall in its business. During the year under report, it sold Rs. 69,933 worth of lime fruits. The bulk of them was sent to Calcutta. Nearly 80 per cent of the lime fruit garden owners are its members. It has a building of its own constructed at a cost of Rs. 37,938 with 25 per cent Government subsidy. It continued to prepare squashes under expert supervision. It appointed agents at various places to popularize the use of squashes and to secure bulk orders.

(c) *The Chennur Betel Leaves Growers' Co-operative Society, Limited.*—A scheme to develop the activities of this society in the Cuddapah district was sanctioned by Government since the close of the year. In the area of this society there are about 300 acres of lands cultivated with betel leaves and the yield is estimated at Rs. 9 lakhs during the season. The society expects to market at least 25 per cent of the produce. Under the scheme, the society will purchase two lorries for transport of betel leaves and a pumping set for hiring out to members for irrigation purposes. Government have sanctioned a subsidy of Rs. 7,000 towards half the cost of one lorry and a pumping set.

5. *Special scheme for marketing the hill-produce in the Kolli hills.*—With a view to improve the socio-economic conditions of the hill tribes of the Kolli-hills in the Salem district, a scheme designed to help them to obtain better prices for their produce and to get the necessaries of life at reasonable prices was approved by Government. The scheme will be worked by the Salem District Co-operative Wholesale Stores with the assistance of a special staff of two Senior Inspectors of Co-operative Societies sanctioned for the purpose free of cost for a year. Six marketing or shandy centres will be opened and they will be under the immediate supervision of the two Senior Inspectors who will be in charge of three centres each. Sales depots will be opened at these centres for retailing the articles required by the hillmen at cheap rates and to make outright purchases of their produce. Arrangements will be made by the wholesale stores to pool the produce purchased at the depots, transport it to market centres within and without the district and dispose of it at favourable prices. Government have sanctioned a non-recurring grant of Rs. 10,000 for the purchase of a motor lorry and given a recurring grant of Rs. 1,200 per annum towards the rent of the six sale depots for one year.

CHAPTER III.

Co-operative Dairying, Animal Husbandry and Egg Production.

1. *Milk Supply Unions and Societies—(a) General progress.*—With the introduction of the Three-Year Plan for improving milk production in the Province, the co-operative milk supply organizations received an impetus and made rapid strides during the year under report. Including the milk unions and societies started for providing alternative employment to ex-toddy tappers, there were on 30th June 1949, 30 milk supply unions and 448 milk supply societies of which 13 societies were yet to commence work. The thirty milk supply unions had a membership of 2,869 of which 299 were feeder societies. They had a paid-up share capital of Rs. 2·25 lakhs. The 435 milk supply societies had 39,102 members with a total paid-up share capital of Rs. 5·41 lakhs at the end of the year. The total value of milk handled by the unions and societies during the last two years is indicated below :—

	Value of milk and milk products sold.	
	Milk supply societies.	Milk supply Unions.
	RS. (IN LAKHS).	RS. (IN LAKHS).
1948–49	69·70	57·16
1947–48	59·48	48·09

Out of Rs. 69·70 lakhs worth of milk and milk products sold by the societies, Rs. 35 lakhs worth of fluid milk represents the value of milk supplied to unions. The total value of milk and milk products supplied by the unions and societies to the consumers during the year increased to Rs. 91·86 lakhs from Rs. 82·41 lakhs in the previous year. The unions at Madras, Coimbatore, Vellore, Mathurai, Tanjore and Tiruchirappalli did good business during the year. The progress made by the co-operative milk supply organizations started for the benefit of ex-toddy tappers and ex-addicts is indicated in Chapter XI.

(b) *Supplies to State hospitals, jails, etc.*—The following statement shows the value of milk supplied by milk supply organizations to State hospitals, jails, etc., during the last two years :—

	Value of milk supplied.	
	1948–49.	1947–48.
	RS. (IN LAKHS).	RS. (IN LAKHS).
Hospitals	11·37	11·03
Jails	1·90	2·13
Municipalities	0·27	0·21
Other institutions	4·36	18·99

(c) *Interest-free Government loans for the purchase of cows.*—Government continued to provide the members of milk supply societies and unions with loans for the purchase of milch animals, free of interest. They, however, set a total limit of Rs. 10 lakhs to such loans. During the financial year 1948–49, such loans were given to the extent of Rs. 9·26 lakhs as against Rs. 4·99 lakhs during the previous financial year. It is sometimes alleged that co-operative milk societies drain the milk available in villages in favour of urban areas. This allegation is not based on facts. The Government loans have helped to provide cows in villages which had no cows or only a few of them, so that the milk supply societies really helped to produce more milk. During 1948–49, Government wrote off Rs. 1,215 out of these loans, because the animals bought with them had died for reasons beyond the control of the borrowers. This is an indirect form of cattle insurance which is greatly appreciated by agriculturists.

(d) *Interest-bearing Government loans for the purchase of equipment.*—During the year under report, Government sanctioned an interest-bearing loan of Rs. 15,000 to the Madras Milk Supply Union for replacing certain parts of the cold-storage plant. It was also given another loan of Rs. 20,000 for the purchase of two more motor lorries to facilitate quick transport of milk from feeder societies. For the year 1949–50, Government provided a sum of Rs. 40,000 for granting loans to milk supply unions for the purchase of lorries and vans and out of this, the Mathurai Milk Supply Union was sanctioned a loan of Rs. 8,100. The Tanjore and Cuddalore Milk Supply Unions and the Ootacamund Milk Supply Society have applied for similar loans and they are under consideration.

2. *Some important milk supply unions and societies—(a) The Madras Milk Supply Union.*—The business of this union increased considerably during the year under report. The number of feeder

societies affiliated to it at the end of the year rose from 88 to 104. It purchased nearly 75 lakhs of pounds of milk worth Rs. 19 lakhs as against 69 lakhs of pounds worth Rs. 17·50 lakhs in the previous year. The total quantity and value of milk and milk-products sold during the year were 74·11 lakhs of pounds and Rs. 23·08 lakhs respectively. Yet, the union provides only about half of the requirements of the City. All the nine State hospitals in the City and at Tambaram continued to get their supply of milk from the union. The average supply to the hospitals was 5,600 lbs. per day. Consumers in the City continued to purchase their requirements either from the 80 depots of the union opened in several parts of the City or from cycle vendors who went round making door-to-door supply to coupon-holders. The average quantity of milk sold in the City to consumers direct was 16,500 lbs. per day. Towards the close of the year the union undertook supply of milk to the army stationed at St. Thomas Mount.

The union continued to run the dairy-farm at Guindy for the supply of milk and milk products to His Excellency the Governor of Madras and his staff. It arranged for the cultivation of seven acres of land belonging to the Government House, Guindy, with green fodder for feeding the milch animals stationed there. It continued to supply cattlefeed to its members. The value of cattlefeed so supplied during the year was Rs. 50,812.

The three first-aid posts to render first-aid to the animals belonging to the members of the union and its affiliated societies were maintained and the District Veterinary Officer (Milk) was in charge of them. Two thousand six hundred and seventy-five cases were attended to for non-contagious diseases and 429 for cantagious diseases.

(b) *The Coimbatore Milk Supply Union.*—This union, which had sustained a serious set-back owing to the cessation of the military contract, increased its business during the year under report. It sold Rs. 7·25 lakhs worth of milk and milk products as against Rs. 6·23 lakhs worth in the previous year. Its chief customers were the Headquarters Hospital, the Police Hospital, the Central Jail, the Railway Refreshment Room and the army at Coimbatore and Mathukarai. It purchased a Kangayam stud bull with the aid of a half-grant from Government and made it available to the cows of members for breeding purposes.

(c) *The Vellore Milk Supply Union.*—This union sold milk and milk products valued at Rs. 2·63 lakhs. It supplied milk to the American Mission Hospital, the Police Training School, the Headquarters Hospital, the Central Jail and Child Welfare Centres. It purchased a stud bull of " Sindhi " breed for improving the breed of cows owned by its members with the help of a half-grant from Government.

(d) *The Kozhikode Milk Supply Union.*—Unlike other unions, this union had no feeder milk supply societies affiliated to it and the entire milk is supplied by the individual members of the union. Of the 838 members on rolls at the end of the year, 96 were producers and the rest consumers of milk. During the year under

report, it purchased 7·48 lakhs of pounds of milk for Rs. 3·10 lakhs and sold 7·14 lakhs of pounds of fluid milk for Rs. 3·58 lakhs. The union issued loans to the members out of its own funds and the total loans issued during the year amounted to Rs. 1·36 lakhs. For some time, the union was owning a few milch cattle, but later it disposed them off as their maintenance was uneconomical. It purchased 60 acres of lands for Rs. 7,000 at a distance of 10 miles from Kozhikode for growing fodder and for salvaging the dry animals of its members. A stud bull purchased with the aid of Government subsidy is to be stationed there.

(e) *The Ootacamund Milk Supply Society.*—It had an increased supply of milk from the various producing centres, the total quantity and value of milk produced being 25·83 lakhs of pounds and Rs. 5·71 lakhs respectively. It found it a serious problem to dispose of the surplus milk during off-seasons on the hills. It sent it to distant centres like Coimbatore and Kozhikode for disposal, employing its own motor vans for transport. It has proposed to instal a pasteurization plant and has applied for a Government loan of Rs. 50,000 for the purpose. A Sindhi stud bull was purchased by the society at half its cost under the Government subsidy scheme.

3. *Dairy development schemes*—(a) *Three-Year Plan.*—The " Three-Year Plan ", the details of which were indicated in my last report, was launched from October 1948 in eight districts, viz., Malabar, South Arcot, North Arcot, Coimbatore, Tanjore, Guntur, Krishna and West Godavari. The entire scheme was under the control of the Dairy Development Officer. Eight Dairy Assistants were appointed, one in each of these districts, to assist the milk supply organizations in hygienic milk production, feeding of animals, improvement of the breed, establishment of dry stock farms, etc., while eight Senior and eight Junior Inspectors were appointed to attend to administrative matters like organization of societies, disbursement and recovery of interest-free Government loans and maintenance of accounts. Besides, Government sanctioned recently a staff of ten Veterinary Assistant Surgeons to provide prompt veterinary aid to the milch cattle owned by the members of co-operative milk supply organizations. Three of them will be employed shortly, three more will be appointed next year and the remaining four in the third year. There is a dearth of qualified Dairy Assistants and Veterinary Officers in the Province, so that some of these posts are left vacant.

When the " Three-Year Plan " was drawn up, there were 20 milk supply unions and 47 milk supply societies covering 67 towns in all. Their production of milk was 65,000 lbs. a day. The " Three-Year Plan " aims at increasing the supply to 88,500 lbs. at the end of the first year, to 115,200 lbs. at the end of the second year and 144,600 lbs. at the end of the third year. The results achieved during the first year are encouraging. The number of towns served by milk supply societies and unions increased from 67 to 142 on 30th June 1949, and the daily production reached

87,200 lbs. by that date, i.e., in a period of less than nine months since the introduction of the scheme.

(b) *Milk recording scheme.*—This scheme was continued during the year by the milk supply unions at Vellore, Tanjore, Coimbatore and Chittoor, by eight societies in the Guntur, Muthurai and Tirunelveli districts and by five societies in the Madras City. Government continued to give the subsidy of Rs. 350 per institution in the case of mufassil societies and Rs. 300 each in the case of City milk supply societies to meet the cost of the milk recorders and to award prizes in kind to the owners of milch cows whose milk yield was high. During the year under report, 339 animals were admitted into the scheme; but at the end of the year, their number fell to 268. The total yield of milk during the year exceeded 4½ lakhs of pounds. The scheme run by the Madras Milk Supply Union was discontinued during the year and a fresh proposal to introduce the scheme in the feeder societies of the union situated in the mufassil is under consideration.

(c) *Stud bulls.*—With a view to improve the breed of milch cattle and increase the output of wholesome milk in the Province, Government sanctioned the purchase of 20 stud bulls of recognized breeds to be stationed at select milk supply unions and societies in different parts of the Province. Half the cost of these stud bulls, amounting to Rs. 10,000 was to be borne by Government and the other half by the institutions concerned. So far, 13 stud bulls have been purchased by these institutions.

(d) *Dairy farms.*—The two proposals for the establishment of small dairy farms by co-operative milk supply societies at Padikarathur and Nandivaram indicated in my previous report are still under the consideration of Government. The Madras Milk Supply Union is maintaining a small dairy farm in the Government House, Guindy. Facilities for grazing and cultivation of fodder have been provided there and five families of whom two are ex-toddy tappers have settled on the farm.

(e) *Cattle-sheds.*—The construction of ten cattle-sheds to be utilized as common milking yards by the societies affiliated to the Madras Milk Supply Union was completed during the year under report. Government contributed the entire cost of these sheds amounting to Rs. 42,020. The union has sent up proposals to construct ten more sheds in other villages where there are other feeder societies. As the supply of pure milk is of importance in urban areas, Government advised the municipalities to construct cattle-sheds and lease them out on easy terms to co-operative milk supply organizations. They also promised to consider if financial assistance was needed for the purpose. Thirteen municipalities have been selected for the present and the question of financial assistance from Government for the construction of these sheds is under consideration.

(f) *Processing of milk.*—For processing small quantities of milk, the Dairy Development Officer designed an electric water jacket as a milk heater. The Kozhikode Milk Supply Union

succeeded in making one equipment of this type at a cost of Rs. 250 to heat milk uniformly to 180°F. The keeping quality of milk was found to increase by 10 hours by this simple method. Arrangements are being made for the supply of such heaters to milk supply organizations which cannot go in for costly pasteurization plants. The Milk Unions at Tiruchirappalli and Ooty have applied for loans from Government for installing pasteurizing plants.

(g) *Madras City Milk Supply Scheme.*—A special staff of one Co-operative Sub-Registrar, five Senior Inspectors and six Junior Inspectors at Government cost continued to assist the Madras Milk Supply Union to augment the supply of milk to the civilian population in the City. New societies were organized in the neighbouring villages as a result of which there was increase in the supply of milk to the City. The District Veterinary Officer attached to this union was continued during the year; but he had to hold additional charge of the post of the Dairy Development Officer, the previous incumbent having reverted to the Veterinary department.

4. *Co-operative creameries.*—The scheme for the establishment of co-operative creamery societies in villages for the production and supply of pure butter and ghee to neighbouring towns has not yet matured. The only society at Karunguzhi in Chingleput district did some good work during the year. Up to 30th June 1949, it purchased 64,176 lbs. of milk for Rs. 8,669. Of this, 15,672 lbs. of milk were sold as fluid milk and the rest was converted into butter and curd, the sale proceeds of which amounted to Rs. 7,162. The services of a Junior Inspector were given free to the society. A proposal for the establishment of another creamery at Wallajabad in the same district is under consideration. The question of organizing similar societies in other milk pockets in the Province is being examined.

5. *Salvage of dry animals*—(a) *The Madras Co-operative Society for the salvage of dry cows.*—During the year 1948–49, the membership and paid-up share capital of this society increased to 462 and Rs. 2,985 from 358 and Rs. 2,465 respectively in the previous year. The number of cows collected and sent to the Kancha at Kambakkam for salvage was 217, of which 41 belonged to professional milkmen. During the year, 193 cows were returned to their owners either after calving or during pregnancy and there were 200 cows in the Kancha at the end of the year. A sum of Rs. 18,010 was collected as salvage fees due to Government as against Rs. 9,910 in the previous year. The society is becoming popular particularly among those who own cows for their own use.

(b) *The Vattambedu Salvage Society.*—This society which is intended for salvaging dry she-buffaloes belonging to milkmen in the Madras City is running the third year of its existence. The Madras Milk Supply Union continued to act as the agent of this society in collecting dry animals. During the year under report, it was possible to collect only 84 dry she-buffaloes for salvaging and there were 131 animals with the society at the beginning of the year. One hundred and twenty-four animals were returned to the owners, but a few died during the period of salvage on account of general debility. At the end of the year, there were 70 animals in the society. The total amount of salvage fees collected during the year was Rs. 6,569. Several forms of Government assistance indicated in last year's report were continued during the year. The society holds the lease of 612 acres of pasture lands belonging to the local temple and the Venkatagiri Samasthanam. It has proposed to instal pumping sets on the lands for taking water and raising fodder to feed the animals throughout the year and has applied to Government for an interest free loan of Rs. 6,000 for the purpose.

(c) *Other salvage schemes.*—Proposals have been submitted to Government for running similar dry stock farms at Ooty, Tirunelveli and Tanjore. More proposals relating to other urban areas like Mathurai, Kozhikode and Coimbatore are under examination.

6. *Cattle breeding co-operative societies*—(a) *General.*—At the end of the year 1948–49, there were 22 cattle breeding societies in the Province with a membership of 2,092 and a paid-up share capital of Rs. 27,334. Nine of them were maintaining 114 stud-bulls and 3 buffaloe-bulls. The members of the Kangayam Cattle Breeding Society in Coimbatore district maintained 85 stud-bulls. These bulls rendered 1,663 services during the year as a result of which 538 bull calves and 785 heifer calves of improved breed were born. Three hundred and forty-five members were benefited by these societies. The societies received subsidies to the extent of Rs. 7,701 during the year from Government and other sources.

(b) *The Cuddapah Cattle Breeding Scheme.*—Of the ten new cattle breeding societies to be organized during the first year in the Cuddapah district under this scheme, only three were registered during the year and five more societies were registered since the close of the year. Only one society purchased a stud-bull which it had to sell away within a short period. Since the close of the year two societies were able to purchase and maintain one stud-bull each. Necessary steps are being taken to purchase the bulls required and to implement the scheme in all the societies.

(c) *Societies in the Salem district.*—The two cattle breeding societies at Anchetti and Mecheri continued to do good work and are becoming increasingly popular. The Mecheri society maintained 12 stud-bulls and the Anchetti society 9. These bulls were included in the premium scheme of the Animal Husbandry Department. All the 21 stud-bulls rendered 1,148 services and the number of improved calves produced during the year was 477. Both the societies received a total subsidy of Rs. 4,656 during the year. In order to provide pasture facilities for the members of the Mecheri Cattle Breeding Society, the Forest department has been requested to assign 2,000 acres of forest lands to this society and the matter is under their consideration.

(d) *The Senjeri Buffaloe Improvement Scheme.*—The Special scheme for the improvement of the buffaloes of the Senjeri breed was worked with Government subsidy till the end of March 1949

with the help of the Coimbatore Milk Supply Union. Later, the union expressed its inability to continue to bear any part of the cost of the scheme on account of the shrinkage in its own business. The scheme had, therefore, to be discontinued.

(e) *Improvement of the Ongole breed.*—With a view to preserve and improve the breed of the Ongole cattle, a scheme was formulated and is under the consideration of Government. Under this scheme, pure-bred Ongole bulls will be bought by the proposed society, Government bearing 50 per cent of the cost. The bulls will be admitted into the premium scheme of the Animal Husbandry Department and entrusted to select members for maintenance. The society will also run a cattle-breeding demonstration centre with ten good Ongole cows.

(f) *Village Livestock Improvement Scheme.*—Government have under consideration a scheme for the production of improved breeds of cattle in 34 villages selected for firka development work. Stud-bulls are to be stationed at these centres and a free grant of Rs. 1,000 will be sanctioned for each centre, towards the construction of sheds for the bulls. Government are also to sanction necessary staff and veterinary outfit for the success of the scheme.

7. *Butter and Ghee Production Societies.*—Of the nine societies of this type, one society at Avanashi in the Coimbatore district did good work. It had 586 members on the rolls and a paid-up share capital of Rs. 3,721 at the end of the year. During the year under report it sold Rs. 16,813 worth of butter and Rs. 3,698 worth of ghee. The ghee produced by the society is noted for its purity and flavour.

8. *Poultry farming and egg production.*—At the end of the year under report, there were 46 egg production and sale societies with a total membership of 2,865 and paid-up share capital of Rs. 17,022. They purchased 7·31 lakhs of eggs worth Rs. 63,321 and sold 7·22 lakhs of eggs for Rs. 72,080. Under the Government of India subsidized scheme for collecting and marketing eggs, the societies which worked the scheme maintained 34 egg collectors and received a total subsidy of Rs. 14,523 from Government. Unfortunately, the Government subsidy was discontinued at the end of 1948. This accounts for the comparatively poor figures given above. A scheme for poultry farming and marketing of eggs through the feeder societies of the Madras Co-operative Milk Supply Union is now under the consideration of Government. The scheme is to be worked out in the following three stages for three consecutive years :—

(1) *First stage.*—Collection and sale of eggs,

(2) *Second stage.*—Improving egg production by covering country fowls with exotic breeds, and

(3) *Third stage.*—Hatching with incubators to produce rapid results. The ultimate cost of the scheme is estimated at Rs. 7,300 in all.

CHAPTER IV.

Miscellaneous Types of Agricultural Co-operative Societies for Harijans and other Backward communities.

1. (*a*) *General progress.*—Including the societies for hill tribes, fishermen, municipal menial employees, field labourers, tenants, Kallars, Harijans, etc., there were 2,536 societies of this class at the end of the co-operative year under report. All these societies had 1·52 lakhs of members with a total paid-up share capital of Rs. 10·29 lakhs. Their working capital amounted to Rs. 31·62 lakhs. Many of these societies are ordinary village credit societies providing credit facilities to their members. They are generally situated where there are no other credit societies. Besides dispensing credit, they devote special attention to the promotion of thrift among the members, especially after the introduction of Prohibition. During the year, the total deposits collected from members amounted to Rs. 79,926 as against Rs. 9,273 collected in the previous year. The amount outstanding under this head at the end of the year was Rs. 1·89 lakhs. After the liquidation of the Madras Christian Co-operative Central Bank, which had been financing these types of societies, the starting of separate credit societies exclusively for Harijans and others was discontinued and the financing of a few of them was undertaken by the district central banks themselves. The borrowings of these societies outstanding at the end of the year and due to central banks and Government were Rs. 8·97 lakhs and Rs. 3·02 lakhs respectively. Only 1,052 societies were affiliated to the central banks while the rest carried on their activities with their own funds or with loans given by Government. The total loans outstanding against members at the end of the year were Rs. 19·31 lakhs. Some of these societies arranged for the distribution of the domestic requirements of the members on the joint purchase system.

As the registration of communal societies was discontinued, the members of the Harijan and backward communities were advised to join local credit societies intended for all communities. On 30th June 1949, 68,246 persons belonging to these communities were members of rural credit societies and they held a total share capital of Rs. 4·49 lakhs and deposits to the extent of Rs. 92,589. Loans disbursed to them during the year amounted to Rs. 11·91 lakhs as against Rs. 10·75 lakhs disbursed in the previous year and a sum of Rs. 16·34 lakhs was outstanding against them at the end of the year. This progress gives rise to the feeling that it will not be necessary to revert to the formation of separate societies for backward communities.

(*b*) *Supervision of the Harijan and the Kallars Societies.*—During the year under report, the supervision of the co-operative societies for Kallars continued to be done by a special staff of Co-operative Inspectors under the administrative control of the Police department. Since the close of the year, this work has been transferred to the department of Harijan Welfare. With effect from 1st September 1949, a Special Deputy Collector is in charge of Kallar Reclamation work in the Mathurai district under the Director of Harijan Welfare. Societies for other backward communities are still under my administrative control. They are supervised by a special staff of 27 Inspectors.

The proposal to grant subsidies at a rate not exceeding Rs. 40 per mensem to each of the Harijan and other societies composed of backward communities towards the cost of maintaining a clerk or Manager indicated in the last report has since been sanctioned by Government with the modification that the maximum grant for each society should not exceed Rs. 30 per month. The usual cash subsidies to pay remuneration to the office-bearers who maintain the accounts were continued during the year under report and a total sum of Rs. 1,570 was disbursed to these societies.

2. *Tenants' and Field Labourers' Co-operative Societies.*—There were 526 societies of this type at the end of year. Two hundred and sixty-eight of them obtained lease of 30,728 acres of padugai, lanka and other Government waste lands for a total annual rental of Rs. 5·11 lakhs. Of these, 807 acres were taken on lease for periods exceeding five years, while the rest were taken on lease for periods up to five years. These lands were parcelled out and sub-leased to 17,106 members for a total annual rental of Rs. 5·13 lakhs. In most cases the lands were leased for the same rental for which they were obtained by the societies. Twenty-three thousand four hundred and thirty acres were cultivated with food-crops and the rest with commercial crops. The societies borrowed Rs. 10,741 from the Central Banks during the year.

The proposal to convert the Gollavanithippa Field Labourers' Co-operative Society in the West Godavari district into a land colonization co-operative society is still under the consideration of Government. This society raised flood banks around the fields to prevent submersion and maintained an oil engine and two pumping sets to bale out water to the fields.

3. *Societies for the Agency and Hill Tribes.*—In the East Godavari district, there were 17 societies in the Agencies for improving the economic condition of the hill tribes. Of these, 10 were credit societies, 2 marketing societies and the rest consumers' stores. Proposals have been submitted to Government for the sanction of a special staff for this district to develop these societies.

In the Visakhapatnam district, there were four credit societies in the Agency areas at Anantagiri, Gudem, Palakonda and Elvinpeta. Of these, the society at Elvinpeta was started on work only in August 1949. All the societies were manned by departmental inspectors whose services were given either free of cost or at concessional rates. These societies are expected to provide credit facilities to their members to purchase, and sell their domestic requirements and to arrange for the marketing of their produce. They were able to show good progress in the issue of loans and in the distribution of articles such as rice, kerosene, cloth, etc. The total value of goods supplied by the three societies in the Visakhapatnam district during the year amounted to Rs. 21,902.

A scheme for the marketing of the agricultural produce of the hill tribes of the Kolli-hills in Salem district was sanctioned by Government during the year and the details of the scheme are indicated in the previous chapter.

4. (a) *Agricultural Demonstration Societies.*—Of the seven societies of this type in the Province, only one society, viz., the Lalgudi Sivagnanam Agricultural Demonstration Society in the Tiruchirappalli district did good work. The society owns 22 acres of wet and dry lands which were used as demonstration plots for the cultivation of improved varieties of paddy, sugarcane, plantains, etc. At the request of the society, Government were pleased to assign to it an extent of 250 acres of dry lands in the neighbouring forest area for conducting demonstrations on garden and dry cultivation. The society distributed Rs. 4,982 worth of improved seeds, Rs. 7·86 lakhs of manures and Rs. 426 worth of agricultural implements. As an experimental measure, Government transferred to this society the distribution of chemical fertilizers from the Agricultural depot. The society was, however, able to commence this business only from July 1949.

(b) *Agricultural Improvement Societies.*—There were 56 societies of this type in the Province at the end of the year. They had a membership of 5,477 and a total paid up share capital of Rs. 1·12 lakhs. A few societies in the Mathurai and Malabar districts disbursed loans to the extent of Rs. 57,157 to their members for cultivation expenses. Some of them were entrusted with the distribution of groundnut oil cakes at controlled rates. The total value of manures distributed by these societies amounted to Rs. 1·90 lakhs. Some of them supplied agricultural implements to the value of Rs. 4,646 and cattle feeds to the extent of Rs. 3,158.

(c) *Irrigation Societies.*—On 30th June 1949, there were 18 irrigation societies of which one had not been started. In the seventeen societies which had commenced work there were 2,219 members and the paid up share capital amounted to Rs. 11,723. A few societies in Tirunelveli, Krishna and Tiruchirappalli districts executed irrigation works to the extent of Rs. 14,335 during the year and helped 756 members with additional irrigation facilities. In the Visakhapatnam district, an irrigation society was registered with an ambitious programme. The main object of the society is to sink wells along the river Champavathi and instal electric motors and pumps to bale out water for the irrigation of 2,330 acres of lands situated in Nadipalli and other villages. The Vizianagaram Co-operative Central Bank has agreed to provide Rs. 50,000 towards the capital expenditure of the society. The sanction of Government for the supply of electrical energy is awaited. As soon as this is given, the society will commence work.

5. *Land Colonization Societies*—(a) *General progress.*—Besides the land colonization co-operative societies formed exclusively for

ex-servicemen, details of which are given in Chapter X, there were at the end of the year 26 co-operative land colonization societies for civilians who were generally landless poor. These societies are designed not only to improve the condition of agricultural labourers but also to increase food production in the Province by reclaiming waste lands and bringing them under the plough. There were 3,075 members of whom 2,658 were active colonists. The total population in the colonies was 17,632. The paid up share capital of the members at the end of the year amounted to Rs. 93,012 of which Rs. 28,400 were given by Government as free grant and the balance of Rs. 64,612 was contributed by the members. During the year under report these societies borrowed Rs. 27,751 from Government and Rs. 14,232 from Central Banks. The amount due to Government at the end of the year under loans amounted to Rs. 1,39,161 as per details below :—

	RS.
1 For land reclamation work	10,761
2 For purchase of bulls	71,263
3 For purchase of implements	16,197
4 For other purposes	40,940
Total ..	1,39,161

The amount due to the Central Banks at the end of the year was Rs. 23,117. Loans outstanding against members at the end of the year amounted to Rs. 1·82 lakhs of which Rs. 1·42 lakhs were in respect of loans obtained from Government. During the year under report Government subsidies to the extent of Rs. 67,251 were disbursed to the societies for the purposes indicated below :—

	RS.
1 Purchase of bulls	18,809
2 Construction of houses	2,000
3 Sinking of wells	45,750
4 Development of cottage industries	532
5 Share capital	160
Total ..	67,251

To reclaim lands and bring them under cultivation, Government assigned 10,455 acres of lands to these societies. By the end of the year under report, 8,403 acres were reclaimed and brought under cultivation. Out of nearly 4,000 tons of produce raised on these lands, more than 3,800 tons were food-grains and the remainder were commercial produce. The colonists were advised to produce food crops in preference to commercial crops in order to help the grow more food campaign and every encouragement was given to them in this behalf. The colonists made joint purchase of their requirements such as seeds, manures, agricultural implements and domestic requirements and the total value of such purchases amounted to Rs. 9,955. In order to increase the income of the colonists, they were advised to take to subsidiary occupations such as bee-keeping, sheep-rearing, mat and handloom weaving etc., and free grants were given to them for the equipment needed for these industries. To the three land colonization societies in the Coimbatore district which are doing good work, Government sanctioned a subsidy of Rs. 5,250 for the introduction and development of subsidiary industries. In order to stock the produce after harvest, proposals were submitted to Government for the construction of godowns in certain colonies and two societies, viz., the Paruthikottai and Kangayampatti Land Colonization Co-operative Societies in Tanjore were sanctioned each a subsidy of Rs. 5,000. A sum of Rs. 6,000 more was given to six land colonization societies to purchase and maintain six stud bulls.

(b) *Special Colonization Schemes*—(i) *Araku Valley Scheme*.—An extent of 8,755 acres situated in about 20 villages of the Araku valley of the Visakhapatnam district was marked during the war for a co-operative land colonization society. To start with, about 500 landed hill men and 100 landless hill men in the area were proposed to be admitted as members. According to the scheme each colonist will be given one acre of wet and five acres of dry lands. With a view to bringing the entire area under the colonization scheme, Government acquired the lands under the Land Acquisition Act paying a total compensation of over Rs. 2 lakhs. This amount was collected back from the land owners as share capital of the society proposed to be formed and the amount was kept as deposit in the Vizianagaram Co-operative Central Bank. A land colonization co-operative society could not, however, be formed before the lands were parcelled out among the colonists proposed to be settled. The hill men were opposed to the proposal. The Araku Valley Development Committee also decided to request Government that the parcelling out of the lands should be deferred till the irrigation facilities were provided.

(ii) *Wynad Scheme*.—About 33,802 acres of lands, of which 9,526 acres are wet, in the Wynad taluk of the Malabar district, were proposed to be colonized by ex-servicemen, the existing owners and other landless poor of the Malabar district. Under the scheme each colonist will be given two acres of wet and five acres of dry lands or fifteen acres of dry lands only. Each member will become the owner of these lands after some years on the hire purchase system. Preliminary arrangements were going on for the past five years particularly in the direction of combating the menace of malaria. Various departments were at work in the locality to make it fit for colonization. Proposals were submitted to Government in 1946 for the sanction of a special co-operative staff for organizing and running a land colonization co-operative society. Government, however, deferred the proposals and ordered that the society might be organized when all

the preliminary steps like reclamation, survey, selecton of colonists and apportionment of lands, etc., were finalised. Later, on the advice of the *ad hoc* committee constituted by them, Government ordered the immediate formation of a land colonization co-operative society in consultation with the Collector. In October 1948, proposals were submitted to Government for registering a single society for all the members proposed to be settled in the area. According to this scheme, the lands would vest in the society in the first instance and would be passed on later to the colonists after 20 years or after the colonists repaid the entire advance given to them. During April 1949, Government accepted the scheme and sanctioned one Deputy Registrar with the necessary staff for proceeding with the formation of the society. Meanwhile, the Committee for Post-war Reconstruction desired that a separate society should be formed for ex-servicemen and the final orders of Government are awaited on it.

6. *Co-operative Tenant Farming Societies*.—So far as land colonization co-operative societies are concerned, only Government lands were assigned to them. Private lands were not obtained by them on sale or lease. A beginning was made during the year under report to secure private lands for colonization. At Marudur, in the Tiruchirappalli district, a novel society was formed with landlords and their tenants as members. An extent of nearly 400 acres of lands belonging to three individual members has been leased for 20 years to the society which is based on the model of a land colonization society. In its turn, the society has sub-leased the lands to the member labourers. Of the total extent of 400 acres, nearly 120 are fit for immediate cultivation with wet crops and the remaining area has to be levelled and rendered fit for cultivation. Allowing a few acres for house-sites and other common purposes like thrashing floor, channels, etc., it is estimated that 380 acres in all will be brought under cultivation. There are facilities for pumping water from the high level channel nearby with the help of electric pumping sets. There are also twenty wells on the lands which can be utilised for irrigating the lands. Government have sanctioned an advance of Rs. 80,000 to the society as loan for capital expenses connected with the installation of electric pumps. They have also given the services of a Senior Inspector to the society free of cost and extended all the concessions that are given to land colonization societies. This society has raised great hopes. It promises to provide a solution for the conflict between landlord and tenant by combining both in one and the same institution and transferring the lands to it, be it only for a specified period. Its example has given rise to applications for the registration of similar societies. A second society of the type has been registered recently at Nelvoy in the Chingleput district.

7. *Land Reclamation Societies*.—The scheme for the reclamation of patta lands in the Pattukottai taluk of the Tanjore district irrigated by the Cauvery-Mettur Project was continued and

twenty-one rural credit societies attended to the work. Of the 4,802 acres of lands to be reclaimed, 3,360 acres were reclaimed by the end of the year including the 519 acres reclaimed during the year under report. These societies did not borrow any funds from the Government during the year but a sum of Rs. 86,318 was due to Government on account of the loans taken by them in the previous years for reclamation work besides another sum of Rs. 11,300 obtained for the construction of godowns. For financing their members for cultivation expenses, they borrowed during the year Rs. 1·94 lakhs from the Tanjore Central Co-operative Bank and a sum of Rs. 2·30 lakhs was due to the central bank at the end of the year. They issued Rs. 87,635 as loans for cultivation expenses and Rs. 99,494 for the purchase of cattle, etc. Loans to the extent of Rs. 3·46 lakhs were outstanding against the members at the end of the year. The proposal to extend the scheme to 16 more villages in the area was sanctioned since the close of the year and Government provided a loan of Rs. 60,000 to be advanced to the new societies working the scheme. The special staff for the supervision of the scheme was continued at Government cost.

8. *Sugarcane Growers' Societies and Unions.*—With the cancellation of the registration of one society of this type in the Krishna district, there were at the end of the year 13 sugarcane growers societies and unions with 7,673 members on their rolls and a paid up share capital of Rs. 1·54 lakhs. Some of the societies in Bellary, East Godavari and Visakhapatnam districts issued loans to the extent of Rs. 5·79 lakhs for the cultivation of sugarcane. To ensure the supply of only well ripened and fully matured varieties of sugarcane to the sugar factories, Government, in consultation with me and the Director of Agriculture, prescribed a schedule of dates for the harvesting of sugarcane. Government also ordered that the dates of planting and the extent of cane cultivated by the members of the sugarcane growers societies should be recorded by an official agency and that the same agency should contact the factory with regard to the issue of cutting orders. The above items of work are being attended to by the special co-operative staff in the Bellary and Visakhapatnam districts. In the remaining districts, the work is entrusted to the special agricultural staff appointed under the five-year plan for the development of the sugarcane industry. Government have since enacted the "Sugar Factories Control Act" to provide for the licensing of sugar factories and to regulate the supply and price of sugarcane crushed in such factories. It is hoped that the sugarcane growers societies will, under the provisions of the new Act, establish better relationship between the growers and the factories and prove beneficial to both.

9. *Sugar Factories.*—The Etikoppa Co-operative Agricultural and Industrial Society, Limited, in the Visakhapatnam district continued to run its sugar factory with its small plant whose crushing capacity is about 75 tons per day. It had 69 members on its rolls with a paid-up share capital of Rs. 50,375. During the crushing season, viz., January to May 1949 it crushed 7,404 tons of sugarcane and produced 666 tons of sugar. The percentage of recovery of sugar was 8·99. The total value of sugar and molases sold during the year amounted to Rs. 7·83 lakhs. The society earned a net profit of Rs. 58,700 during the year under report. The proposal of this society to replace the existing plant with a larger one of 600 tons capacity is being implemented. The Deputy Registrar whose services were given free of cost to the society for a year, joined duty and is functioning as its Business Manager. He has started collecting the required share capital to purchase the new plant. It has been decided to construct the new factory at Darlapudi village which is at a distance of four miles from the Narasarapuram Road Railway Station. As soon as the necessary share capital is collected, arrangements will be made to import the new plant from abroad.

10. *Multi-purpose Societies.*—In the report for the year 1947–48, I reported that Government had ordered the starting of multi-purpose co-operative societies in select villages in the firkas selected for intensive development. The model by-laws framed by me were approved by Government and new societies were organized in select villages. This work was entrusted to the Special Development Officers and progress made by these multi-purpose co-operative societies is reported in detail in Chapter XI. Besides those organized in the select firkas, there were a few more "multi-purpose societies" the progress made by which are given below :—

(*a*) *Santhipuram Multi-purpose Society.*—At the instance of the then Hon'ble Minister for Firka Development, Dr. S. Gurubatham, a multi-purpose society of the full fledged type was started at Santhipuram in the Chittoor district with the approval of Government. The main objects of the society are to develop the agricultural industry among agriculturists in the village, arrange for the marketing of their produce and provide subsidiary occupations such as bee-keeping, mat-weaving, dairy-farming, etc. At the end of the year there were 26 members on the rolls with a paid-up share capital of Rs. 283. It borrowed a sum of Rs. 500 from the Central Bank and issued small loans to its members. It also purchased a stud bull for Rs. 609 to improve the progeny of the cattle owned by the members. It has set up five bee-hives and arrangements have been made for the extraction of honey. It has also proposed to construct a godown of its own, so as to facilitate the joint marketing of members' produce. It has proposed to undertake the distribution of consumer goods and has applied for licences to deal in controlled articles such as foodgrains, kerosene and mill cloth. The society is still young and is expected to flourish under the guidance of Dr. Gurubatham.

(*b*) *Pammal Multi-purpose Society* in the Chingleput district, undertook the manufacture and supply of chaplis to the Police department under a contract. During the year under report it manufactured 1,996 pairs of chaplis and supplied 1,813 pairs. No other activities were undertaken.

(c) *The Lepakshi Multi-purpose Society* in the Anantapur district attended to the distribution of foodgrains under the rural rationing scheme. It also distributed yarn to its members at controlled rates. It undertook a new activity in the purchase and marketing of cloth produced by its members. During the year under report it purchased Rs. 54,126 worth of cloth and sales amounted to Rs. 64,782. It earned a profit of Rs. 2,823 during the year under report.

11. *Other types*—(a) *The Guntur District Tobacco Growers' and Curers' Society.*—At the end of the year under report, there were 1,002 members in the society with a paid-up share capital of Rs. 66,450. During the year, it purchased 26,010 tons of coal for Rs. 8·64 lakhs and sold 23,933 tons for Rs. 9·27 lakhs. It purchased zinc and steel sheets at controlled rates and distributed them to its members for the erection of tobacco barns. The value of zinc and steel sheets so purchased was Rs. 10,443 and the value of sheets distributed amounted to Rs. 7,796. It made arrangements for the supply of 75 pairs of cart-tyres and 96 crow-bars to the members from the Agricultural department. The Guntur District Co-operative Central Bank provided the necessary financial accommodation to the society and sanctioned a cash credit loan of Rs. 3·50 lakhs. The society obtained lease of lands at 19 rail heads to stock the coal imported from various centres and arranged for its distribution from the respective yards. It obtained on loan the services of a Co-operative Sub-Registrar to work as its Executive Officer and one Senior Inspector as its Manager. The loss of Rs. 6,392 sustained by the society in the previous year was completely wiped out, and, during the year under report, it earned a net profit of Rs. 12,493.

(b) *The South Kanara Bee-keeping and Honey Production and Sale Society.*—This society at Mangalore did good work in bee-keeping. Its members own about 585 bee-hives and during the year they produced 3,830 lbs. of honey worth Rs. 5,745. The society maintains a small model apiary at Mangalore for giving practical training in bee-keeping. It proposed to open apiaries in other parts of the district and for this purpose Government sanctioned a non-recurring grant of Rs. 800 towards the capital cost and the free services of an agricultural fieldman.

CHAPTER V.

Consumers' Co-operative Societies.

Primary or retail co-operative stores (excluding school and college students stores)—(a) *General progress.*—As in the previous year the registration of new co-operative stores was generally discouraged and a policy of consolidating and strengthening the existing stores was pursued. ~~Hence,~~ during the year under report, only 44 new stores were registered. The merger of the Pudukottai state with this Province brought in 32 more stores. Fifty-one bad stores were cancelled. At the end of the year, therefore, there were 1,774 primary stores of which 10 had not been started. The progress made by the primary stores during the last two years is indicated below :—

	1948–49.	1947–48.
Number of stores functioning	1,764	1,740
Number of branches and sales depots maintained by them	1,426	1,474
	(IN LAKHS).	(IN LAKHS).
Number of members	5·83	5·59
	RS. (IN LAKHS).	RS. (IN LAKHS).
Paid-up share capital at the end of the year	111·86	105·15
Reserve Fund at the end of the year ..	53·64	42·49
Borrowings from central banks	145·11	53·55
Borrowings from other sources	42·15	27·03
Total working capital	352·76	228·22
Purchases made during the year	2,198·70	1,863·36
Sales during the year	2,307·37	2,353·76
Gross profits	112·91	91·73
Net profits	28·30	29·88
Trading loss	1·75	1·60

The membership, paid-up share capital, borrowings and the working capital increased during the year under report. The following statement indicates the proportion of owned and borrowed capital to the total working capital in the last two years :—

	Percentage to total working capital.	
	1948–49.	1947–48.
Share capital	31·71	46·09
Reserve fund	15·21	18·61
Borrowings from central banks ..	41·12	23·47
Borrowings from others	11·96	11·83

(b) *Business.*—With the re-introduction of intensive procurement of foodgrains and rationing throughout the Province, the consumers' movement had increased business during the year under report especially during the latter part of the year. The total purchases amounted to Rs. 21·99 crores as against Rs. 18·63 crores in the previous year. If the total sales during the year fell from Rs. 23·53 crores to Rs. 23·07 crores, it was due to the fact that increased business took place only in the second half of the year. Of the total purchases for Rs. 21·99 crores, Rs. 9·45 crores worth of goods were purchased from the wholesale stores in the districts. This represents only 43 per cent of the total purchases, An analysis of sales of different commodities made during the last two years is furnished in the statement below :—

	1948–49. RS. (IN LAKHS.)	Percentage to total.	1947–48. RS. (IN LAKHS.)	Percentage to total.
1 Foodstuffs	1,475·35	63·94	1,364·45	57·97
2 Groceries	301·75	13·08	566·46	24·07
3 Cloth—				
(a) Mill cloth	337·32	14·64	151 34	6·43
(b) Handloom goods ..	66·25	2·87	102·36	4·35
4 Drugs—				
Medical and infant foods ..	4·02	0·17	5·79	0·25
5 Other consumer goods ..	110·83	4·80	151·64	6·44
6 Vegetables, fruits, etc. ..	3 78	0·16	4·57	0·19
7 Fuel	3·07	0·34	7·15	0·30
Total ..	2,307·37	100·00	2,353·76	100·00

Sales of foodstuffs and mill-made cloth continued to predominate. This was mainly on account of the re-introduction of controls in respect of these commodities. As the consumers' movement was utilized on a large scale, by Government for the equitable distribution of food and cloth, they had naturally to concentrate attention on this business with the result that there was a slight fall in the sales in respect of other goods such as groceries, etc. So far as handloom cloth was concerned there was a slump in the market and the sales under this also declined considerably. In last year's report I indicated the difficulties experienced by some of the stores in the disposal of grams and pluses purchased by them at the instance of the Civil Supplies department and alluded to their representations to Government to make good the losses sustained by them in the business. These representations are still under the consideration of Government and each case is disposed of by them on its merits. Forty-three primary stores undertook the sale of various goods such as handloom cloth, brass vessels, cumblies, etc., produced by the co-operatives on consignment basis and the total sales so effected amounted to Rs. 5·03 lakhs during the year.

Finding that the system of obtaining articles required for jails and borstal schools from private contractors was not satisfactory, Government, in consultation with the Inspector-General of Prisons ordered that all the articles required by them should be purchased from the co-operative stores in the respective areas. These orders were given effect to from August 1948 until the end of the co-operative year 1948–49. Fifty stores supplied articles worth Rs. 16·89 lakhs to 14 central jails, 33 sub-jails and 6 borstal schools. Besides these supplies, some of the stores continued regular supplies to Government and Local Boards, hospitals, Devasthanams, educational institutions, etc. During the year under report, 87 stores supplied articles worth Rs. 2·50

lakhs to hospitals, Rs. 6·43 lakhs to devasthanams and mutts and Rs. 3·12 lakhs to educational institutions and hostels. Government also permitted the Kallar Boarding Homes in the Mathurai district to purchase provisions and other commodities required by them from the co-operative stores in the respective centres.

The Coffee Board continued to supply coffee seeds to the primary co-operative stores through the District Wholesale Stores for sale to the public at the rates fixed by it. Though the quantity supplied was considerably reduced, the distribution through the co-operatives acted as a check on the traders.

(c) *Profits.*—Of the 1,764 primary stores in the Province, 1,510 earned a gross profit of Rs. 112·92 lakhs while 191 sustained a trading loss of Rs. 1·75 lakhs. Nine hundred and forty-four of them worked at a net profit of Rs. 28·30 lakhs during the year while in the previous year 933 earned a net profit of Rs. 29·88 lakhs. Seven hundred and eighty-six societies sustained a net loss of Rs. 16·78 lakhs during the year whereas 779 stores sustained a total loss of Rs. 13·22 lakhs in the previous year. The main reasons for the fall in the net profits and the increase in the losses were due to the inadequate margin allowed on imported foodgrains. Representations have been made to Government to revise the margin of profit and the matter is under their consideration. The increase in the total loss during the year was contributed by the stores in the Cuddapah, East Godavari, West Godavari, Guntur, Krishna, Kurnool, Mathurai, Ramnad, Tirunelveli and Visakhapatnam districts.

(d) *Procurement operations by primary stores.*—The scheme of intensive procurement of foodgrains which was withdrawn during the year 1947–48 was re-introduced during the year under report. As usual, co-operative societies, especially consumers' stores, offered their services in this behalf. The business done by the primary stores in this respect during the last two years is shown below :—

	1948–49. Quantity. TONS.	1948–49. Value. RS. (IN LAKHS).	1947–48. Quantity. TONS.	1947–48. Value. RS. (IN LAKHS).
Procured during the year ..	71,164	224·72	166,231	307·85
Sold during the year	65,572	214·85	157,034	329·83
Stock at the end of the year ..	16,696	48·23	14,475	29·83

The volume of business done during the year under report recorded a considerable decrease. This was due to the fact that a good number of societies did not take up work for lack of adequate finance. On account of the tight money market conditions and on account of larger funds drawn by wholesale stores for the purchase and distribution of mill cloth, the Co-operative Central Banks were not able to provide adequate funds to the primary stores for undertaking procurement of foodgrains. But to the extent of the funds available the societies which took up the work acquitted themselves well. The quantity and value of different commodities procured by the primary stores during the year are indicated below :—

	Procured.	
	Quantity.	Value.
	TONS.	RS. (IN LAKHS).
Paddy and rice	68,001	214·72
Millets	2,851	8·65
Others	312	1·35
Total ..	71,164	224·72

As in the past, the services of the co-operatives were utilized to a large extent by the Civil Supplies authorities for importing foodgrains for distribution in their respective areas. The business done in this behalf was as follows :—

—	1948–49. Stocks imported.		Sold.	
	Quantity.	Value.	Quantity.	Value.
(1)	(2)	(3)	(4)	(5)
	TONS.	RS. (IN LAKHS.)	TONS.	RS. (IN LAKHS.)
Paddy and rice	65,388	220·64	60,103	221·86
Millets	26,616	67·69	25,241	64·52
Others	3,084	14·69	3,113	14·55

	1947–48. Stock imported.		Sold.	
	Quantity.	Value.	Quantity.	Value.
	TONS	RS. (IN LAKHS.)	TONS.	RS. (IN LAKHS.)
	(6)	(7)	(8)	(9)
Paddy and rice	63,514	159·72	60,445	176·87
Millets	14,550	28·95	14,321	33·18
Others	324	1·38	221	0·99

The societies did more import business this year as compared with the previous year. This is largely due to the instructions of Government to the Civil Supplies Officers to utilize the co-operative societies to a greater extent in the import and distribution of foodgrains.

(e) *Rationing work by primary stores.*—With the re-introduction of controls over foodgrains, rationing was re-introduced in the second quarter of 1948–49 and co-operative stores were utilized in the distribution work both in the statutory and in informal rationed areas. In the statutorily rationed areas 193 stores in 19 districts maintained 712 ration shops with nearly 4½ lakhs of cards registered with them. In the informally rationed places 745 stores in 21 districts had 1,414 ration shops with 7·73 lakhs card holders. The total value of foodgrains distributed through these co-operative ration shops during the year amounted to Rs. 1,182·67 lakhs of which Rs. 625·32 lakhs represent the value of foodgrains sold in the statutory rationed areas.

(f) *Classification of primary stores.*—A comparative statement showing the volume of business done by the urban, semi-urban and rural co-operative stores during the past two years is furnished below :—

	1948–49.			1947–48.		
	Number of stores.	Purchases.	Sales.	Number of stores.	Purchases.	Sales.
		RS. (IN LAKHS).	RS. (IN LAKHS).		RS. (IN LAKHS).	RS. (IN LAKHS).
Urban	271	923·94	935·27	259	975·99	1,276·80
Semi Urban	389	672·75	683·51	382	489·16	570·20
Rural	1,104	602·01	621·59	1,099	398·21	506·86

The semi-urban and rural co-operative stores did increased business during the year on account of the distribution of foodgrains, cloth, oil cakes, etc., at controlled rates. The turnover of the urban stores recorded a fall. This may be attributed to the restricted business in groceries and other non-essential consumer goods.

On 30th June 1949, there were 73 primary co-operative stores for industrial employees, 91 for other employees and 12 communal stores. The Industrial Employees' Stores are generally formed in mill areas like Coimbatore, Mathurai and Tuticorin. In the Coimbatore district alone there were 35 such societies. The total value of goods sold by the Industrial Employees' Stores during the year was Rs. 163·53 lakhs while the sales of the other employees' stores amounted to Rs. 101·01 lakhs. The industrial labourers and employees stores received as usual, considerable help from the managements and they are generally working smoothly.

(g) *Railway and Postal Employees' Stores.*—On the report of the Railway Grainshops Enquiry Committee that an effort should be made to promote co-operative stores entirely managed by railway employees to replace the departmentally managed grainshops in due course, the Government of India ordered that the following concessions would be granted to such stores if formed, viz. :—

(i) Where convenient, suitable existing premises might be offered at a nominal rent; but no new buildings should be constructed for the purpose, and

(ii) subsidy amounting to not more than half the administrative and establishment charges for the first three years might be paid by the Railway Administration subject to the condition that the Provincial Co-operative Department certified that the stores was working properly.

A co-operative stores for the South Indian Railway Employees was registered at Tiruchirappalli and it has been advised to approach the railway authorities for the concession promised by the Central Government. There is a proposal to register another stores at Guntakal on the M. & S.M. Railway.

The Posts and Telegraphs department also proposed to organize more co-operative stores for the benefit of the employees of the department and to strengthen the existing institutions. They created the posts of Assistant Directors of Welfare to be in charge of this work. For this Province, a Deputy Registrar of Co-operative Societies is to be deputed to the Postal department for appointment as Assistant Director of Welfare.

(h) *Working of some important primary stores*—(i) *The Triplicane Urban Co-operative Society, Limited, Madras.*—This is one of the oldest primary society in the Province serving a large proportion of consumers in the city. On 30th June 1949, it had a membership of 16,504 with a paid-up share capital of Rs. 1·77 lakhs. During the year under report, it had Rs. 30 lakhs more of sales than in the previous year, the total sales exclusive of textiles being Rs. 118 lakhs. Since the introduction of controls in respect of mill cloth, it was given both a wholesale licence and a retail licence. The total purchases and sales of mill-made cloth during the year were Rs. 28·80 lakhs and Rs. 22·20 lakhs respectively. In order to help the consumers to purchase cloth at controlled rates in their respectvie localities, it opened five additional emporia exclusively for sale of piece goods. During the year under report it undertook to import the rice required for its retail shops direct from the surplus areas of Tanjore and the Circars at the rate of 1,200 tons per month. It also undertook the sale of reconstituted milk produced in the Government Milk Factory and conducted sales at many of its branches. The quantity of milk so distributed during the year was 1·06 lakhs of Madras measures. During the year under report it opened a new depot at Tondiarpet. On the emergency reserve stock maintenance scheme run by the Triplicane Urban Co-operative Society on behalf of Government during the war, a profit of Rs. 3·73 lakhs was earned by Government. Government decided to give away one half of this profit to the society on the understanding that the amount should be spent for making permanent improvements. The society has decided to use the grants for reconstructing its Head Office buildings at Triplicane. Plans and estimates have been sent to Government for approval. A sum of one lakh of rupees has already been given by Government out of the grant promised by them and they have agreed to pay the balance after the plans and estimates have been approved by them.

(i) *The Madras Provincial Indian Medical Practitioners' Co-operative Pharmacy and Stores.*—This society had 599 members with a paid-up share capital of Rs. 41,775 at the end of the year. Besides individuals, District Boards, Municipalities, Panchayat Boards and other institutions were admitted as members so as to enable them to purchase their medicines and drugs for use in hospitals. The society did considerable business in the preparation and supply of Indian medicines. During the year under report, it prepared medicines worth Rs. 1·43 lakhs and the sales amounted to Rs. 2·03 lakhs. In addition, it purchased raw drugs and supplied them to its members. The society earned a net profit of Rs. 42,837. It has a proposal to construct a big factory at a cost of Rs. 2 lakhs. I have recommended to Government a loan of Rs. 1·50 lakhs and a free grant of Rs. 0·50 lakh for the purpose.

2. *Co-operative Wholesale or Central Stores*—(*a*) *General progress.*—With the transfer of the Pudukottah Co-operative Central Stores after the merger of the State, there were 23 Wholesale or Central Stores in the Province. The progress made by these institutions in the last two co-operative years is indicated in the statement below :—

	1948–49.	1947–48.
Number of societies	23	22
Number of members	12,442	10,694
	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Paid-up share capital	36·70	34·53
Reserve fund	30·56	24·76
Borrowings from central bank at the end of the year	322·07	189·28
Borrowings from others	22·51	10·12
Working capital	411·84	258·69
Value of purchases during the year ..	2,528·90	1,391·22
Value of sales during the year	2,513·23	1,627·59
Gross profits	77·55	60·01
Net profits	31·79	25·61
Trading loss	..	..

The reintroduction of intensive procurement of foodgrains, controls over mill cloth and the transfer of the distribution of groundnut oil cakes from the Agricultural Department to the co-operatives contributed in large measure to the increased business of the central stores. The total purchases made by them during the year were almost double those of the previous year and the sales also increased by over 50 per cent of the previous year.

(*b*) *Financial Position.*—The general financial position of all the central stores improved considerably during the year under report. The three central stores in the East Godavari, Guntur and Tanjore districts which sustained losses during the previous year, recouped their losses and worked at a profit during the year under report. The large funds required by these stores in connexion with the food-procurement schemes and the purchase of textiles and groundnut oil cakes were provided by the respective Central Banks to the maximum extent possible and I have indicated in Chapter I of this Part the financial assistance given by Government in this behalf. During the year under report, the 23 co-operative central stores borrowed nearly Rs. 19·39 crores from the Co-operative Central Banks and a sum of Rs. 3·22 crores was outstanding at the end of the year. All the wholesale stores worked at a net profit of Rs. 31·79 lakhs during the year as against a total net profit of Rs. 25·61 lakhs in the previous year. Some of the Central Stores like those in North Arcot, Chingleput and Coimbatore earned very decent profits.

(*c*) *Business.*—From an analysis of the purchases made during the year, it is seen that out of a total purchase of Rs. 25·29 crores, Rs. 13·08 crores worth of goods—mainly foodgrains and mill-cloth—were made through departments of Government. This indicates the increasing extent to which the consumers' movement is encouraged by Government. The other sources from which purchases were made were the co-operative wholesale and primary stores outside the districts, private merchants and individual producers. The value of purchases made from other co-operative institutions amounted to Rs. 61·70 lakhs. Of the total sales of Rs. 25·13 crores, Rs. 13·38 crores worth of goods were sold to primary co-operative institutions and the rest amounting to Rs. 11·75 crores were made to non-members. The value of different commodities sold during the last two years is indicated below :—

	1948–49. RS. (IN LAKHS).	1947–48. RS. (IN LAKHS.)
1 Food stuffs	1,693·29	1,400·81
2 Groceries	96·98	122·96
3 Clothing—		
(a) Mill made	545·37	82·55
(b) Handlooms	0·30	2·10
4 Drugs—		
Medical and infant foods	0·44	2·30
5 Other consumer goods	174·46	14·22
6 Vegetables, fruits, etc.	2·39	1·34
7 Fuel	..	1·31
Total ..	2,513·23	1,627·59

As in the previous year, foodstuffs constituted the bulk of the sales, the percentage being 67·37 of the total sales. The value of mill-made cloth sold during the year was almost seven times as much as in the previous year and constituted 21·70 per cent of the total sales. The increase under consumer goods was on account of the distribution of groundnut oil cakes (intended for growing more food) entrusted by Government to the co-operatives during the year under report. As in the case of the primaries, there was a fall in business in respect of groceries hand-loom cloth, drugs, etc. The question of compensating co-operative societies which sustained heavy losses in respect of grams and pulses purchased or imported by them, prior to decontrol at the instance of the Civil Supplies authorities was taken up with Government, who promised to consider deserving cases on merits. They have in pursuance of this promise sanctioned a sum of Rs. 18,332 to the Co-operative Central Stores at Tiruvarur in the Tanjore district towards the loss sustained by it on this account.

Some of the stores continued to do business on consignment basis. During the year under report 10 of them sold Rs. 3·78 lakhs worth of goods on agency basis and earned a commission of nearly Rs. 9,000. The orders of Government regarding the purchase of consumer goods by jails and borstal schools indicated elsewhere in this Chapter were availed of by the wholesale stores also and they supplied articles worth more than Rs. 15 lakhs to

the various jails in their jurisdiction. Besides, they also supplied goods to the value of Rs. 1·57 lakhs to hospitals, Rs. 0·62 lakh to devasthanams and mutts and Rs. 2·45 lakhs worth to educational institutions.

(d) *Procurement and import of foodgrains.*—Unlike the primary stores, the district wholesale and central stores did substantial business both under the scheme of intensive procurement and the import of foodgrains. The Collectors of South Kanara, Kurnool and Bellary districts entrusted the central stores in these districts with a monopoly of procurement work throughout these districts, and when they lacked funds, they recommended to Government to provide them with additional funds. In other districts, the central stores were given monopoly in procurement work over restricted areas. Except the wholesale stores at Cuddapah, Rajahmundry, Guntur, Kozhikode, Nilgiris, Tiruvarur and Pudukottai the other 16 were entrusted with the local procurement of paddy, rice and millets. The business done by all the wholesale stores both under procurement and import of foodgrains during the year is given below :—

	Paddy and rice.		Millets.	
	Quantity. TONS.	Value. RS. LAKHS.	Quantity. TONS.	Value. RS. LAKHS.
Procurement.				
Procured during the year ..	95,793	292·62	10,566	22·89
Sold during the year	72,867	234·82	5,385	14·36
Stock at the end of the year ..	32,104	96·97	6,023	13·19
Imported foodgrains.				
Imported during the year ..	247,053	889·29	58,576	147·21
Sold during the year	261,741	1,024·25	55,322	143·91
Stock at the end of the year ..	27,019	102·65	4,621	12·39

The volume of procurement business done by the wholesale stores during the year under report was almost the same as in 1947–48. But import business showed a distinct increase, the value of foodgrains imported being twice as much as in the previous year.

Government had already announced their policy of showing preference to co-operative societies in the matter of procurement and distribution of foodgrains. But in March 1949, they ordered an increase in the number of procuring agents and directed that all persons who had been in the foodgrains business prior to June 1942 and who did not have a bad record should be given licences if they applied for them. It was feared that such appointment of additional procuring agents in the areas, where co-operative societies had been enjoying monopoly procurement, would affect those institutions adversely. I represented these fears to Government who were pleased to exempt co-operative societies from the above orders and directed that co-operative societies which had undertaken monopoly procurement should be allowed to do their work undisturbed.

(e) *Business done in mill cloth.*—With the reimposition of control over mill cloth in July 1948, the co-operatives were pressed into service immediately for the procurement of mill cloth from within and outside the Province. The entire provincial quota for the first three months was allotted to co-operatives. All the wholesale stores, the Triplicane Urban Co-operative Society in Madras and the West Godavari Marketing Federation were appointed as wholesalers and entrusted with the work. Primary stores and other societies did the retail distribution work. The stocks taken over were so heavy that the co-operative wholesales had to stop taking in further stocks for some time and finally to restrict the purchases to 3,000 bales a month. Till the end of the co-operative year 1948–49, the co-operatives purchased under the scheme 58,353 bales of mill cloth valued at more than Rs. 700 lakhs, and released 47,276 bales to primaries for retail distribution. At the commencement of the scheme, a special co-operative staff consisting of one Deputy Registrar and two Co-operative Sub-Registrars was deputed to Bombay to arrange for the selection of varieties and despatch of bales to the wholesale stores. At present, the procurement of Bombay quotas is entrusted to two merchants, one at Bombay and the other at Ahmedabad on a commission basis. The stocks from the mills within the province are despatched by the mills themselves under instructions from me or the Deputy Registrar of Co-operative Societies, Coimbatore.

(f) *Distribution of groundnut oil cakes.*—During the year under report, Government ordered the transfer of the distribution of groundnut oil cakes from the Agricultural Department to the co-operatives. According to this order, all the wholesale stores and the two marketing federations at Tanjore and West Godavari districts were appointed as wholesalers to procure the controlled portion of the cakes from the mills and distribute them to ryots through primary co-operative societies selected for the purpose. The allotment of cakes for each district was made by the Joint Director of Agriculture and the co-operative wholesalers purchased the stocks from the mills on cash payment. Government allowed a margin of five annas per bag of cakes to be shared between the wholesales and primaries; and agreed to pay for the costs of distribution subject to a maximum of 15 per cent of the cost price of the cakes deducting the profits, if any, made by the society. The 23 wholesale stores and the two marketing federations handled 51,400 tons of cakes, of which 41,800 tons represented the quantity taken over from the mills and 9,600 tons the quantity transferred from the Agricultural Department. Three hundred and thirty primary co-operatives were selected for the retail distribution of this manure and the wholesale stores themselves opened 120 depots at various centres for retail distribution. During the year under report 40,200 tons of cakes valued at Rs. 65 lakhs were sold to ryots. Of this, the value of cakes sold to "paddy bonus coupon" holders alone amounted to Rs. 12 lakhs. Up to the end of December 1948, the co-operative wholesales claimed a subsidy of Rs. 43,000 from Government, representing less than 9 per cent of the purchase price of the cakes. Substantial savings accrued to Government on account of the transfer of the distribution to co-operatives. In January 1949 the control over the movement and prices of groundnut oil cakes was given up. However, the co-operatives were requested to continue the business for some time with the stocks frozen in the mills on the eve of decontrol. This has had a salutary effect on the market.

(g) *Other activities*—(i) *Processing.*—Some of the wholesale stores arranged for the hulling of paddy into rice. Thus 10 wholesale stores hulled Rs. 68·13 lakhs of paddy. Some wholesale stores arranged for the conversion of grams into dhall, maize and wheat into flour, etc. But substantial progress could not be made by them in this direction as they had to concentrate more attention on procurement and distribution work. The Chingleput Wholesale Stores purchased an oil mill in March 1949 for Rs. 1·25 lakhs and has commenced pressing groundnut oil. It has planned to instal a rice-mill also in the same premises.

(ii) *Distribution of coffee seeds.*—The Coffee Board continued to recognize the central stores as the wholesale distributors of coffee seeds to primary co-operatives. The Board supplied the quantity required by these stores on an indent system based on the needs of the retail co-operatives. The total quantity supplied in this way was 1,421 tons, valued at Rs. 41·76 lakhs.

(iii) *Distribution of iron and steel.*—On a representation made by some of the Central Stores, Government were pleased to instruct the Director of Controlled Commodities to appoint some of them as distributors of steel pipes, tubes and fittings. The names of the Krishna, Godavari, Mathurai, Ramnad and Coimbatore wholesale stores have been recommended for the purpose.

(iv) *Production of agricultural commodities.*—At the conference of co-operative departmental officers held in March 1949, it was suggested that co-operative wholesale stores might explore the possibilities of taking up large blocks of lands for cultivating food crops and distributing the foodgrains produced on them among their members. The Vellore, Guntur, Cuddapah, Salem, Malabar, Coimbatore, Chittoor, Chingleput, Tuticorin and Vizianagaram wholesale stores have taken up the suggestion and plans are being drawn up for working out the idea.

3. *School and College Students' Stationery Stores.*—These stores continued to work satisfactorily. At the end of the year under report, there were 303 stores of this type of which five had not started work. The remaining 298 societies had 20,241 students and 4,737 teachers as members and the total paid up

share capital was Rs. 55,334. The number of associate members at the end of the year was 19,474. The business done by these stores during the year is indicated below :—

	RS. (IN LAKHS).
Value of books purchased—	
(i) On indent from members	1·67
(ii) At societies' risk	9·36
Value of books sold—	
(i) Out of those purchased on indent	2·64
(ii) Out of those purchased at societies' risk ..	9·11
Value of stationery articles purchased	1·19
Value of stationery articles sold	1·22
Value of books, stationery, etc., held at the end of the year.	2·45

The total net profits earned by these stores during the year amounted to Rs. 56,870. Some of them sustained losses to the extent of Rs. 13,475.

4. *Distribution of consumer goods by other types of societies.*—As in the previous year, a large number of rural credit societies, employees' societies, etc., continued to distribute controlled articles and consumer goods in localities which were not served by stores societies. The table below shows the work done by them in this behalf during the year under report.

	Rural credit societies.	Limited liability credit societies.	Employee societies.	Others.	Total.
No. of societies.	1,271	2	69	26	1,368
	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS)	
Value of commodities purchased	176·50	4·47	22·83	12·86	216·66
Value of commodities sold ..	188·37	4·07	23·64	13·02	229·10
Value of stock at the end of the year	10·05	1·39	1·02	0·92	13 38
Amount of profi earned ..	3·31	0·14	0·84	0·23	4·52
Number of societies which worked at a profit	942	2	58	22	1,024
Amount of loss	0·85	..	0·01	0·02	0·88
Number of societies which sustained loss	294	..	4	4	302

There was an increase in the number of rural credit societies which undertook this distribution work. One thousand two hundred and seventy-one of them took it up in the year under report as against 940 only in the previous year. This is, to some extent, due to the entrustment of the distribution of mill-cloth to these societies. Of the 1,368 societies which did the distribution work, 1,024 worked at a profit of Rs. 4·52 lakhs while 302 societies sustained a loss of Rs. 0·88 lakh. Of these, as many as 294 were

rural credit societies which sustained a loss of Rs. 0·85 lakhs. Societies which have not been able to discharge this function without loss have been advised to give it up. I have also prescribed various safeguards to ensure that the loss in trade does not deter the credit societies from discharging the credit functions effectively. One such safeguard is that societies should not invest in this business funds in excess of their paid up share capital and reserve fund.

5. *Producers-cum-consumers societies*—(*a*) *Societies in the Chingleput and Circar districts.*—During the year under report, the reorganization of the Producers'-Cum-Consumers' Co-operative Societies in the Circar districts of Krishna, Guntur and the two Godavaries was pursued vigorously. Of the 168 societies in these districts, 88 were reorganized into marketing societies, four into banks and credit societies, two into consumers' stores and one into a building society. By the end of the year, reorganization was given effect to in respect of 46 societies. The registration of 46 societies which did not reorganize themselves into any of the approved models by the end of September 1949 has been cancelled under the orders of Government. The 22 societies in the taluks of Ramachandrapuram and Kakinada however have not been cancelled as they have been entrusted with procurement work till 31st March 1950. The financial position and working of the 122 societies in the Circar districts and the two in the Chingleput district during the year under report are furnished below :—

	RS. (IN LAKHS.)
Paid-up share capital	80·18
Reserve Fund	3·26
Borrowings outstanding	7·88
Other funds	11·74
Total working capital	103·06
Purchases made during the year	142·91
Sales made during the year	148·45

The societies in the East Godavari and Chingleput districts had large business on account of the procurement work given to them. Of the total sales of Rs. 148·45 lakhs, Rs. 139·24 lakhs worth of goods were food-stuffs. As the societies in the Guntur, Krishna and West Godavari districts were not able to do any business, most of them sustained heavy losses. During the year under report only 72 societies worked at a profit of Rs. 9·90 lakhs and 52 societies sustained a loss of Rs. 1·28 lakhs.

(*b*) *Procurement work by producers'-cum-consumers' co-operative societies in the Circars.*—After considering the recommendations of the Ramalingam Chettiyar Committee, Government agreed to entrust the intensive procurement of paddy to the Producers'-Cum-Consumers' Co-operative Societies only in the Kakinada and Ramachandrapuram taluk of East Godavari district. Five marketing societies in these two taluks were also entrusted with the work; but three of them dropped out and the scheme was put into effect in the rest from 15th December 1948. Government gave a loan of Rs. 15 lakhs to the central banks at Kakinada and Ramachandrapuram so as to enable them to finance the procurement work of these societies. The loan was repaid in time. Government also sanctioned a special staff for exercising supervision and administrative control over these societies on condition that their cost was met by contribution from the societies at ½ per cent of the purchase value of the stock procured. I am glad to state that the results achieved were well worth the trouble taken. The Producers'-Cum-Consumers' Co-operative Societies were able to procure 78 per cent of the target fixed whereas the millers and other procuring agents in the comparable central delta could procure only 48 per cent of the target. The following figures will show the work done by the producers'-cum-consumers' co-operative societies in procurement work :—

	I crop. Quantity in tons.	II crop. Quantity in tons.
Target fixed for the societies.	25,760	Targets were not fixed by 30th June 1949.
Procured by the societies	23,280	17,535
Exported and Released	22,493	15,226
Balance with the societies	787	2,309

The work done by these societies was appreciated by the Civil Supplies Department; and, in response to the insistent public demand in favour of the continuance of the scheme, Government have sanctioned its extension till 31st March 1950.

(c) *Producers'-cum-consumers' co-operative societies in the Malabar district.*—The administrative control of the 107 Producers'-Cum-Consumers' Co-operative Societies in Malabar continued to be with the Collector. The progress made by these societies is shown in the statement below :—

	1948-49.
Number of members	174,861
	RS. (IN LAKHS.)
Paid-up share capital	47·11
Reserve Fund	23·82
Borrowings from Central Bank ..	36·82
Borrowings from others	22·38
Other funds	16·37
Total working capital	146·20
Value of goods purchased	1,169·18
Value of goods sold	1,375·26
Net profits	26·84
Net loss	6·70

These societies were entrusted with the procurement of food-grains in the district on a monopoly basis. During the year under report, they procured 115,532 tons of foodgrains, valued at Rs. 282·28 lakhs and sold 109,661 tons for Rs. 244·90 lakhs. The funds needed for this work were obtained from the Malabar District Co-operative Central Bank. Besides procurement work, some of the societies opened provision depots for the distribution of food-stuffs and consumer goods. A few societies were entrusted with the distribution of groundnut oil-cakes and agricultural implements. Three societies purchased pumping sets for hiring them out to members. Some of the producers'-cum-consumers' co-operative societies were not functioning properly on account of factions, party feelings, etc., and the Boards of Management of 8 such societies had to be superseded by the Collector. With a view to have more effective supervision and check over them, Government sanctioned the appointment of 30 Junior Inspectors to work under the Collector and their cost will be met by collecting supervision fund from the societies. These inspectors were appointed towards the end of the year under report.

The reorganization of these societies into one or other of the approved types of societies as in the Circar districts was pursued by the staff of this department. Out of the 107 societies in the district, 45 proposed to reorganize themselves into marketing societies, 15 into credit societies, 8 into agricultural improvement societies, and one into an urban bank. The reorganization of the remaining societies is being pursued. The reorganization proposals however will not be given effect to till such time as these societies cease to be entrusted with procurement work. *Enbloc* amendments to their by-laws have been approved by me, but they will be registered only when procurement work is completely withdrawn.

CHAPTER VI.

Weavers' Co-operative Societies.

1. *General progress.*—The handloom-cloth industry passed through a critical period during the year on account of the slump in the handloom cloth trade. The imports of mill cloth in large quantities curtailed the local demand for the handloom cloth. The ban on exports from August 1948 to Pakistan, which is one of the biggest consumers of handloom goods, resulted in the accumulation of stocks of exportable varieties. The markets in Burmah and Malaya could not be approached on account of the unsettled conditions there. The slump continued even after the close of the year. The societies were forced to reduce the prices of their stocks in some cases even below cost price, so as to clear them in a falling market. Further production, too, had to be cut down, or cheapened by a reduction in wages.

2. *Membership, business and financial condition.*—There was an increase in the number of weavers societies from 893 at the beginning of the year to 953 at the end of the year. The number of looms within their fold rose from 133,199 to 134,985 and their membership from 132,968 to 154,815. The following statement indicates the progress made by the primary weavers societies during the year :—

	1948–49.	1947–48.
1. Number of societies	953	893
2. Number of members	154,815	132,968
3. Number of looms in the societies	134,985	133,199
	RS. (IN LAKHS.)	RS. (IN LAKHS.)
4. Paid-up share capital	72·60	62·20
5. Borrowings outstanding	83·44	44·90
6. Reserve Fund	63·46	50·37
7. Working capital on the last day of the year	267·56	201·90
8. Value of cloth produced	690·49	668·10
9. Value of cloth sold	704·39	814·15
10. Wages paid to members	163·31	156·28
11. Gross profit	37·34	54·15
12. Net profit	23·76	33·42
13. Gross loss	8·71	6·11
14. Net loss	19·07	1·45

Though there was a slight increase in production, there was a fall in sales. This was due to the slump in trade. On account of the falling market and in order to rotate their funds in further production many of the societies had to dispose of the goods at a loss. As many of these societies had built up large price fluctuation reserves in the past, they were instructed to set off their losses against their reserves. Where this was not possible the losses had to be borne by their general funds. Hence, the losses, sustained by the societies, were larger during the year than in the previous year. In spite of these adverse circumstances, the position as regards reserves which the societies built up is encouraging. At the end of the year the societies had a Reserve Fund of Rs. 63·46 lakhs, Price Fluctuation Fund of Rs. 27·63 lakhs, Wages Equalization Fund of Rs. 12·34 lakhs, and Building Fund of Rs. 8·05 lakhs. They continued to collect Thrift Fund from the wages of members. The balances in the Thrift Fund at the end of the year amounted to Rs. 9·35 lakhs. The share capital of the members increased from Rs. 62·20 to Rs. 72·60 lakhs. The societies distributed wages, dividend and bonus to the extent of Rs. 169·56 lakhs.

3. *Marketing.*—As usual, the societies marketed their goods locally as well as through the emporia of the Provincial Society and the stores societies. They supplied goods to emporia outright as well as on consignment basis. They entered into forward contracts with the Provincial Society for the production and supply of goods according to the specifications and prices fixed by it. This system assured a regular market for a portion of the goods of the weavers societies besides educating the weavers to produce cloth

of good and specified qualities. One hundred and thirty-four branches or depots were maintained by the primary weavers' societies for the disposal of their stocks locally. Out of the total sales of Rs. 704·39 lakhs effected during the year, sales through the Provincial Weavers Society and the stores societies amounted to Rs. 93·29 and Rs. 20·60 lakhs respectively while sales to the consumers and merchants aggregated to Rs. 189·86 and Rs. 393·72 lakhs respectively.

4. *The Yemmiganur Weavers' Co-operative Society.*—In last year's report, mention was made of the working of the Yemmiganur Weavers' Co-operative Society which is the biggest and the best weavers' society in the Province. At the end of the year, it had a membership of 1,771 with a paid-up share capital of Rs. 81,897. It had within its fold 1,719 looms as against 1,628 looms in the previous year. During the year it purchased yarn to the value of Rs. 9·08 lakhs and distributed wages to members to the extent of Rs. 4·38 lakhs. The production and sale of cloth amounted to Rs. 14·23 and Rs. 12·48 lakhs respectively. It has a Reserve Fund of Rs. 2·99 lakhs, a Price Fluctuation Fund of Rs. 80,019 and a Building Fund of Rs. 2·18 lakhs. The society is maintaining a dye house for dyeing the yarn supplied to its members, a handloom factory where all kinds of furnishing fabrics like bed-sheets, curtain-cloth, mosquito nets, etc., are produced and a printing section in which the cloth produced is printed with attractive designs.

5. *Weavers' colonies.*—The Yemmiganur Weavers' Society is making progress with its housing scheme which is intended to put up houses for its members and to erect an office building, a dye house, a handloom factory, etc. It has drawn the loan of Rs. 2 lakhs provided by Government for the purpose. The construction of 22 houses has been completed so far and 37 houses are under various stages of construction. The rising colony is a centre of attraction to visitors from all parts of the country.

The Ondiputhur Weavers' Society in Coimbatore district drew a sum of Rs. 60,000 out of the loan of Rs. 74,000 given by Government. It completed the construction of 22 houses. Eighteen more are under construction. The completed houses were declared open by the Hon'ble the Premier on 27th August 1949.

Ten more weavers' societies, three in the North Arcot district, one in the Chittoor district, one in the Anantapur district, one in the Bellary district, one in the Cuddapah district, two in the Salem district, and one in Kurnool district have so far taken up housing schemes. Government have approved these schemes and sanctioned loans to these societies to the tune of Rs. 4,54,750. Of these, 10 societies, one society—the Pedakondala Weavers' Society—in the Kurnool district has commenced construction work. It has drawn in full the Government loan of Rs. 22,750.

6. *The Madras Handloom Weavers' Provincial Co-operative Society, Limited.*—In spite of adverse conditions of trade, the Madras Handloom Weavers' Provincial Co-operative Society made steady progress during the year. There was an increase in its membership from 2,268 to 2,628 while its share capital rose from Rs. 2·73 lakhs to Rs. 3·43 lakhs. It had a working capital of Rs. 138·21 lakhs. During the year, it purchased yarn to the value of Rs. 793·20 lakhs for supply to its affiliated societies for the purpose of conversion into finished goods and for sale to weavers outside the co-operative fold. The total value of yarn distributed to members and non-members during the year amounted to Rs. 736·63 lakhs. It purchased finished goods from the primaries to the value of Rs. 81·90 lakhs. In addition, it received goods on consignment basis from affiliated societies to the extent of Rs. 12·37 lakhs. The sales of cloth it effected amounted to Rs. 117.48 lakhs. It earned a net profit of Rs. 94,019 during the year 1948–49. It has built up a Reserve Fund of Rs. 3·28 lakhs, a Price Equilization Fund of Rs. ·28·64 lakhs and other reserves amounting to Rs. 6·09 lakhs.

(*a*) *Spinning mill.*—As mentioned in last year's report, the Government of India allotted 11,000 spindles to the Provincial Society for the establishment of a spinning mill. The society is exploring the possibilities of purchasing Indian made machinery at less cost than by import from foreign countries.

(*b*) *Collective weaving centres.*—The society is maintaining 6 collective weaving centres. During the year, they worked with 2,830 looms as against 3,284 looms in the previous year. The reduction in the number of looms is due to the formation of new societies in the area served by these centres. The centres produced cloth worth Rs. 17·90 lakhs and sales amounted to Rs. 16·84 lakhs. The corresponding figures for the previous year were Rs. 29·48 and Rs. 20·8 lakhs respectively.

(*c*) *Handloom factories.*—Besides the 3 handloom factories at Basin Bridge, Kurnool and Cuddalore, one factory at Kodumuru in the Kurnool district was started during the year. The factories produced several varieties of handloom cloth. The production and sale of cloth during the year amounted to Rs. 1·46 lakhs and Rs. 1·23 lakhs respectively.

(*d*) *Printing factories.*—The printing factory at Madras which was in a dormant condition was revived and 8,248 yards of cloth were printed.

(*e*) *Dye factories.*—The 9 dye factories of the society continued to function during the year, and consumed dyes to the value of Rs. 2·91 lakhs and disposed of dyed yarn worth Rs. 9·91 lakhs.

(*f*) *Raw materials other than yarn.*—During the year, the purchases and supplies of raw materials such as Hydros, gold thread, art-silk, etc., amounted to Rs. 1·67 lakhs and Rs. 95,077 respectively.

(*g*) *Marketing.*—As already observed, the marketing of handloom cloth became a difficult problem during the year. The Provincial Society, however, tackled it as best as it could. The three Deputy Registrars it had employed as Regional Marketing Officers, entered into forward contracts with the primaries and secured the supply of saleable goods for its emporia. Besides, they purchased the goods of the primaries on outright basis and secured bulk orders for them from traders. During the year, the depots at Trivandrum and Ceylon continued to function, and new emporia were opened at Hyderabad and Secunderabad. A wholesale depot was established at Calcutta. At the end of the year there were 62 emporia besides 8 central godowns. Yet, the total sales during the year amounted to only Rs. 117·48 lakhs as against Rs. 131·93 lakhs in the preceding year. A new scheme has been formulated for the intensive marketing of handloom cloth by the appointment of Assistant Marketing Officers. The main features of the scheme are to secure bulk orders from merchants and to arrange for the production of cloth by the primaries concerned. The scheme is being tried in the Bellary and North Arcot districts as an experimental measure.

(*h*) *Export trade.*—Export to Pakistan was stopped from August 1948. Subsequently, the Governments of India and Pakistan came to an agreement for the mutual supply of handloom goods till 31st December 1949. But owing to the lack of import licensees in Pakistan, no exports could be made to that country. The markets in other countries, especially Malaya and Burma, could not be tapped on account of the political disturbances there. In Ceylon, the market was flooded with mill cloth and sales of handloom cloth could not make much headway there. During the year, the export of handloom cloth by the Provincial Society to foreign countries amounted to Rs. 41·78 lakhs. This includes an order secured by the Provincial Weavers' Society through its Bengal agent for supply of khaki and other materials to Saigon to the extent of 12·79 lakhs of yards.

7. *Yarn Distribution Scheme.*—From July 1948 to September 1948, Government entrusted the Madras Handloom Weavers' Provincial Co-operative Society with the monopoly of the distribution of yarn in the Province. Ordinarily, the society was getting only about 5,400 bales of yarn per month for distribution to its members; but, under the scheme of control, it had to distribute an additional 14,000 bales of yarn per month to weavers outside the co-operative fold. It selected for the purpose 63 of its own emporia working in the mufassal at the rate of one or more for each district and appointed them as wholesale distributors. It recognized as retail distributors 630 primary weavers' co-operative societies which had adequate financial resources and efficient management. In addition, it opened 44 depots itself in places where there were no suitable primary weavers' co-operative societies to distribute yarn to weavers outside the co-operative fold in

retail. These 674 retail units functioned as fair price shops and made yarn allotted to the Province for the months of July, August and September 1948 available to genuine weavers at controlled rates.

In October 1948, Government modified the scheme. Nominees from the regular channels of trade were appointed to distribute half of the Provincial quota of yarn. The other half alone was given to the Madras Handloom Weavers' Provincial Co-operative Society for sale at controlled rate. The number of looms to be served was distributed equally between the trade and the co-operatives including those already with the latter. Under this arrangement, the Provincial Society had to distribute 9,256 bales of yarn per month out of which, 6,351 bales were intended for supply to members of weavers' co-operative societies and 2,905 bales to non-members. On account of the reduced quota to be handled, the Provincial Society reduced its wholesale distributors to 58 and the number of retail distributing depots to 27. The number of primary weavers' co-operative societies also was reduced to 366. But later, from 1st April 1949, the Provincial Society closed all its retail depots leaving the entire retail distribution in the hands of primary weavers' co-operative societies. The distribution of yarn to non-members in the eight districts of West Godavari, East Godavari, Krishna, Guntur, Kurnool, Chittoor, Ramnad and Madras was taken away from the co-operatives with effect from 1st October 1948, as the looms within the co-operative fold in each of these districts, had reached or almost reached 50 per cent of the total number of looms and as the number of looms tagged on to co-operatives in the other districts together with those already in the co-operative fold in all the societies had come to 50 per cent of the total number of looms in the province. There was no rationing of yarn; but considering the supply position, the maximum issue of yarn to individual looms was restricted in the early period so as to prevent large purchases by any one at the expense of others and supplies were made only to genuine weavers on their declaration that they owned looms and that the yarn purchased by them was for their use. The distribution of yarn to miscellaneous consumers such as fishermen, who were not in the co-operative fold, and to tape and ball-thread manufacturers, etc., was left to trade channels.

As the Provincial Society did not have enough funds to purchase the yarn, Government were pleased to give it a loan of Rs. 3 crores at 3 per cent interest per annum repayable within three months after the closure of the scheme. The loan was intended solely to pay the mills for the yarn supplied. The society drew only Rs. 2 crores and surrendered the balance. It repaid one crore before 30th June 1949 and 20 lakhs more since then together with interest on the entire loan. The balance outstanding is Rs. 80 lakhs. As this loan was not intended for financing primary societies, the latter obtained their funds from the local Central

Banks and paid for the yarn allotted to them. The Central Banks were liberal in advancing loans to the primaries consistent with the safety of their funds. In some cases, they appointed their own supervisors to safeguard the stocks of yarn and finished goods offered by these societies as security for the loans drawn.

Government sanctioned a staff of one Joint Registrar, one Senior Inspector, two Junior Inspectors, one Stenographer, one typist and three peons for a period of six months from the date of appointment in the Registrar's office for work connected with the scheme of yarn distribution. The entire cost of the staff, however, was borne by the Provincial Society. The period of sanction of the staff has since been extended till March 1950. For the supervision of the co-operatives that undertook distribution of yarn, Government permitted the Registrar to utilize in full the staff of 24 Co-operative Sub-Registrars and 107 Senior Inspectors sanctioned previously for work connected with the expansion of the weavers' movement.

Government exempted the co-operative organizations from the payment of security deposits which the dealers were required to pay for wholesale and retail distribution of yarn; but, they had to pay the licence fees of Rs. 125 and Rs. 12–8–0 per half year for carrying on wholesale and retail business respectively.

When the slump in the handloom-cloth trade came, both handloom weavers and the weavers' societies did not purchase the usual quantities of yarn. The accumulation of yarn stocks had to be cleared. At the request of the Provincial Society, the control over the distribution of yarn was relaxed, and the societies were permitted to sell yarn to traders in bulk, to distribute it to consumers without any restriction of quantity and to move it freely from one place to another within the Province. They were also permitted to resume yarn distribution to non-members in the eight districts from which they were excluded for a time. Nevertheless the sales were not encouraging and the Provincial Society held a large stock at the end of the year.

The following is a statement showing the allotment of yarn bales made to and the bales actually cleared by the Provincial Society during the year under report:—

1. Number of bales allotted by the Textile authorities for supply to members' societies.	67,045
2. Number of bales allotted for distribution to non-members.	82,260
3. Total (1 and 2)	149,305
4. Number of bales lifted	127,635
5. Number of bales not lifted	21,670*

* This includes the bales allotted but not offered by the mills and the bales rejected by the Provincial Society for want of demand.

Accumulation of yarn stocks were also heavy in mills. The trade nominees of Pakistan and other provinces failed to take delivery of the bales of yarn allotted to them. Hence, the mills began to sell yarn to private dealers at prices below the ceiling rates, and it was available in the local markets at prices cheaper than the price of yarn with the co-operatives. This greatly handicapped the Provincial Weavers' Society in the disposal of its stocks even though it reduced the price of yarn to the ex-mill rates in respect of many counts in September 1949 and thereafter to less than ex-mill rates in most of the counts. The primary weavers' societies too suffered by the reduction in prices made by the mills. On 30th September 1949, the stock of yarn with the Provincial Society was 11,815 bales valued at Rs. 1·02 crores and that with the primary weavers' co-operative societies in the Province was 3,102 bales. The Provincial Society is now threatened with a loss of Rs. 7 to 8 lakhs on account of the fall in the price of yarn. The primary weavers' societies entrusted with the distribution of yarn to non-members have also suffered in varying degrees.

8. *Pedal looms.*—The Provincial Society purchased two pedal looms from Bombay and installed them in the Basin Bridge factory. It was found that, by the introduction of these looms, the cost of production could be brought down and the output increased. It is therefore proposed to erect such looms in important weavers' societies and in the collective weaving centres.

9. *Powerloom weaving as a cottage industry.*—Government wished me to examine whether steps could be taken to switch over some of the handlooms in the weavers' societies in the Avanashi or Palladam firka of the Coimbatore district or in any other area to powerloom weaving as an experimental measure. The following scheme was formulated for the purpose. Societies will be selected in places where electric supply is available and they will install the powerlooms at their cost. The powerlooms will be given to such of the weavers as are already owning four or more handlooms on the condition that they should work the looms in the place of their handlooms and on the condition that they should furnish adequate security to cover the value of the looms to be installed. The cost of the machine and the cost of erection will be treated as a loan against the member by the society. Additional conditions will be imposed to prevent misuse of the powerloom and ensure the recovery of the amount involved in the purchase and installation of the powerlooms by easy instalments.

After investigation, the Somanur Weavers' Co-operative Society in the Coimbatore district was selected for working the scheme. This society has selected two members for entrusting the powerlooms. It is on the lookout for the purchase of the looms available locally. The Peelamedu Weavers' Co-operative Society in the Coimbatore district also agreed to take up powerloom weaving. It sent an application to the Deputy Chief Controller of Imports, Bombay, for an import licence for 115 powerlooms. After an

examination of the financial condition of the society and other relevant particulars, it has been proposed to work the scheme, with 50 powerlooms in the first instance. I have recommended to the Deputy Chief Controller of Imports, the grant of import licence for 50 powerlooms.

10. *Calendering plant, etc.*—Handloom cloth, particularly white cloth, can compare favourably with mill cloth, when calendered. It was proposed to purchase and install calendering, bleaching, printing and dyeing plants under the auspices of the Madras Handloom Weavers' Provincial Co-operative Society at a cost of Rs. 5·6 lakhs. The Provincial Government supported the scheme and recommended it to the Government of India agreeing to meet 25 per cent of the cost themselves. They asked the Provincial Society to meet another 25 per cent and requested the Government of India to meet the balance of 50 per cent from the Handloom Development Fund. The Handloom Development Sub-Committee allotted Rs. 2·15 lakhs for the purpose. The orders of Government of India are awaited.

11. *Cloth supplies to Government of India.*—At my request, the Provincial Government apprised the Government of India of the critical situation which the handloom industry was facing and requested them to place orders with the Madras Handloom Weavers' Provincial Co-operative Society for the production and supply of cloth to meet the requirements of the defence services. The Government of India are taking steps to meet a part of their requirements of cloth with handloom cloth. This arrangement will help the handloom industry to have a regular market for a portion of its goods and thus provide work to weavers.

12. *Relief scheme for weavers.*—The depression in the handloom industry threw several weavers out of employment. To relieve the distress among them in the Salem district, where the position was very acute. I submitted a relief scheme to Government. The scheme is to be worked through the primary weavers' societies in the district with financial assistance and guarantees from Government. It is proposed to extend the scheme to other districts as well.

13. *Cumbly and pile carpet weavers' societies—(a) General.*—Eight cumbly weavers' co-operative societies continued to function during the year at the following places:—

(1) Kuditini	Bellary district.
(2) Nitravati	Do.
(3) Bislahalli	Do.
(4) Doddagatta	Anantapur district.
(5) Beluguppa	Do.
(6) Salkapuram	Kurnool district.
(7) Dharmajigudam	West Godavari district.
(8) Kannumolu	Krishna district.

They produced cumblies and druggets of various sizes and shades. Their total production amounted to Rs. 31,496 and their sales to Rs. 42,417. They supply cumblies according to specifications and undertake to supply even bulk orders.

(b) *The Bishlahalli Cumbly Weavers' Co-operative Society* had constructed a factory at a cost of Rs. 8,200 with the aid of Government subsidy and donations from other societies for the manufacture of improved varieties of woollen fabrics. The Madras Handloom Weavers' Provincial Co-operative Society took over the management of the factory during the year under report, for a period of two years in order to develop its working and place it on a sound footing. It was proposed to construct a wool-shearing yard as an adjunct to this factory so that the shearing of wool might be done under improved conditions. For this purpose Government ordered the free assignment of 1·55 acres of land near the factory to the society. They have been requested to grant a subsidy to pay a slightly higher price to the conservative sheep owners so as to encourage them to bring their flock to the shearing-yard.

(c) *The Eluru Pile Carpet Weavers' Co-operative Society* produces woollen carpets of fine designs and finish for which there is good demand in India as well as in foreign countries. It is running a dye-house where the wool required for the manufacture of carpets is dyed with fast colours. The popularity of the society's carpets is due to the efficient manner in which the wool is dyed in various shades and also to the exquisite workmanship. On 30th June 1949, the society had a membership of 114 and a paid-up share capital of Rs. 3,000. Its sales amounted to Rs. 26,060.

The Cumbly and Pile Carpet Weavers' Societies are affiliated to the Madras Provincial Co-operative Marketing Society which undertakes the marketing of their finished goods. Government have provided at their cost a special staff of one Junior Inspector for the supervision of the Cumbly Weavers' Societies in the Ceded districts and a Designer to render technical assistance to all the societies.

14. *Khadi co-operative societies.*—On 30th June 1949, there were 12 Khadi Co-operative Societies in the Province. Since the close of the year, two khadi societies in the South Kanara district and one khadi society in the North Arcot district have been registered. In their Press Note No. 161, dated 3rd July 1948, Government stated that all producers other than the Government Khadi centres, the All-India Spinners' Association Production centres and organizations certified by the All-India Spinners' Association should leave the field as early as possible and in any event before the end of 1948. On examining the rules governing the issue of certificates by the All-India Spinners' Association, it was found that certain rules were in conflict with some of the provisions of

the Madras Co-operative Societies Act and the rules made thereunder. Another problem confronting the khadi societies was marketing. Large stocks of khadi cloth were getting accumulated. It was, therefore, feared that the Central Banks might not be inclined to lend money to khadi societies. In the meanwhile, Government issued the Madras Khadi (Development) Order, 1949 and informed me that khadi societies might take licences under that Order in lieu of the certificates issued by the All-India Spinners' Association. They stated that khadi societies need not be formed in areas where the All-India Spinners' Association and Government Khadi Production Centres were functioning, and desired that the societies should be advised to regulate their production with reference to demand and maintain a good marketing organization. As regards finance, Government considered that khadi had a sentimental appeal and could be successfully sold if proper attention was paid to marketing. They stated that Co-operative Central Banks should be able to give loans to such of the khadi societies as were financially sound and were otherwise eligible. In the light of these orders, I have issued suitable instructions to the Deputy Registrars regarding the steps to be taken for the formation and development of the khadi co-operatives.

15. *Assistance given to the khadi societies.*—Government sanctioned a loan of Rs. 2,000 during the year under report to the Madras Khadi Development Society to purchase motors and other accessories to work its lathe and carding machine. This is to be repaid with interest in 10 equal annual instalments of Rs. 247 each. Subsequently on a representation from the society, I recommended the waiver of interest for a period of one year in the first instance on the balance of loan granted by Government, and this was approved. The society represented later that a departmental officer might be given to it to work as its manager for at least one year, and Government have been pleased to sanction the free services of a Senior Inspector for a period of one year from the date of employment.

CHAPTER VII.

Cottage Industrial Co-operative Societies (other than Handloom Weavers' Co-operative Societies).

1. *General progress.*—A statement showing the progress made by the different types of Cottage Industrial Co-operative Societies during the year 1948–49 is furnished below :—

Type of society.	Number of societies.	Number of members.	Paid-up share capital.	Value of raw materials purchased.	Value of goods produced.	Value of goods sold.
			RS.	RS.	RS.	RS.
1 Carpet weavers	5	344	14,521	21,579	49,368	55,970
2 Cumbly weavers	10	599	4,415	211	31,496	42,417
3 Handspinners	12	5,185	87,437	3,14,184	1,67,790	4,32,614
4 Mat weavers	14	546	3,245	8,388	10,300	[illegible],650

Type of society.	Number of societies.	Number of members.	Paid-up share capital.	Value of raw materials purchased.	Value of goods produced.	Value of goods sold.
			RS.	RS.	RS.	RS.
5 Coir workers	12	836	8,638	82,989	1,08,160	1,14,497
6 Metal workers	29	3,279	1,59,770	11,21,158	12,23,798	16,84,229
7 Leather workers	10	388	5,798	23,434	23,395	26,493
8 Basket-makers	7	326	5,022	8,786	31,154	28,876
9 Potters' societies	14	1,052	11,395	15,366	74,497	94,195
10 Charcoal production and forest coupe societies.	7	205	10,948	..	..	..
11 Hand-made paper	3	118	6,943	..	..	82
12 Toy-makers' societies ..	5	141	2,049	5,042	5,411	5,447
13 Button manufacturers' societies.	1	76	196	134	498	425
14 Stone carvers	3	149	373	100	7,040	7,380
15 Bullock-cart makers ..	1	21	2,100	18,056	19,328	20,553
16 Carpenters' co-operative societies.	1	22	1,070	217	259	..
17 Coffee-curing society ..	1	541	1,19,860	86,378	86,182	18,868
18 Oil producers	3	154	14,230	36,191	47,824	40,041
19 Women cottage industries societies.	54	4,855	31,798	80,226	1,19,767	1,16,525
20 Other miscellaneous societies.	43	4,909	1,01,566	4,46,270	3,10,281	3,86,040
Total ..	235	23,746	5,91,374	22,18,704	22,61,548	30,83,752

The number of societies and their business increased during the year under report. The two "five-year plans"—one for the development of select cottage industries among workers and artisans and the other for the development of societies exclusively for women—were dropped by Government. In their place the "one-year plan" for the development of cottage industrial co-operatives submitted by me was sanctioned with certain modifications after the close of the year under report. The special staff asked for under that scheme, however, was not sanctioned. Instead, Government provided a subsidy of Rs. 45,600 and placed the amount at my disposal for disbursement to the existing societies for the purposes mentioned below subject to the conditions noted against them :—

(1) Subsidy for purchase of tools and equipment, provided 50 per cent of the cost is borne by the societies themselves.

(2) Subsidy for meeting establishment and contingent charges, provided 25 per cent of the net profits earned by the societies concerned are remitted to Government.

The District Cottage Industrial Committees constituted under the aegis of the Central Banks helped the development of cottage industrial societies to some extent. Such committees are functioning in thirteen districts only as Government ordered that the formation of these committees in other districts might be deferred till the Provincial Cottage Industries Board was constituted. Of the thirteen committees, nine collected funds to the extent of about Rs. 10,000 and utilized them for granting subsidies to co-operative cottage industrial societies for such purposes as equipment, establishment and contingent charges. The progress made by the carpet weavers, cumbly weavers and hand-spinners' co-operative societies is indicated in Chapter VI and that made by societies formed exclusively for the benefit of ex-tappers

and ex-addicts is reported in Chapter XI. The progress made by some of the other important types of cottage industrial co-operative societies is indicated below.

2. *Important classes of cottage industrial societies.*—The most important classes of cottage industrial societies are those registered for metal workers, leather goods manufacturers, basket-makers, coir workers and mat-weavers. A brief account of each of these classes of societies is given below :—

(a) *Metal Workers' Co-operative Societies.*—At the end of the year under report, there were 29 metal workers' co-operative societies in the Province with 3,279 members and a paid-up share capital of Rs. 1·60 lakhs. These societies were able to get the required metal in the open market. The Director-General of Disposals, New Delhi, allotted to them different varieties of metal. There was substantial increase in the business of these societies during the year under report. The total value of finished goods sold by them during the year amounted to Rs. 16·84 lakhs as against Rs. 12·67 lakhs in the previous year. The Rajahmundry Aluminium Workers' Society was able to dispose of a major portion of its accumulated stocks of finished goods. The total sales made by it during the year amounted to Rs. 5·16 lakhs. However, on account of the high cost of raw materials, it could not earn much profits during the year; but it was able to pay appreciable wages to the workers. The Rajahmundry Brass Workers' Society also did good business. It sold Rs. 1·61 lakhs worth of finished goods. The Triplicane Metal Workers' Society in the Madras City disposed off its heavy stock by opening a stall at the All-India Exhibition conducted by the Congress Organization in the City during December 1948. The metal workers' societies in North Arcot, West Godavari, Muthurai, Salem and Tirunelveli too did good business. The Penugonda Hardware Workers' Co-operative Society in the West Godavari district was recognized by the Agricultural department as an approved fabricator. It received 34 tons of iron and steel from the Joint Director of Agriculture for the manufacture of agricultural implements such as spades, ploughs, pans and buckets and 15 tons from the Director of Controlled Commodities for the manufacture of consumer goods such as boxes, suit-cases, etc. This society gave free technical training to Adi-Andhras and ex-tappers in the manufacture of these articles and on 30th June 1949 there were eight of them undergoing training. The Mathurai Viswakarma Industrial Co-operative Society, which was producing only brass and copper vessels, took to carpentry work as well and made furniture. The Quilandy Artisans' Co-operative Society in the Malabar district, which is noted for the manufacture of iron and brass wares of artistic beauty, obtained a sum of Rs. 3,000 as subsidy under the Madras State Aid to Industries Act and purchased a five-horse power crude oil engine for working its polishing lathe and drilling machine. With this equipment, the society is exploring the possibility of reviving its trade with the countries in the Middle East.

(b) *Leather Workers' Co-operative Societies.*—There were ten leather workers' co-operative societies at the end of the year with 388 members and a paid-up share capital of Rs. 5,798. Of these, the society in the Tiruchirappalli district did good work. It produced Rs. 10,627 worth of goods. Its sales amounted to Rs. 12,102. Since the close of the year, Government sanctioned it a grant of Rs. 400 towards the cost of a new sewing machine. The Perambur Arunthathiyar Leather Workers' Society was able to secure a stall in the Moore Market, which ought to increase its sales. It was given a trial contract by the Transport Department for the supply of 100 leather bags for the bus conductors and the contract was executed satisfactorily. The Potladurthy Shoe Makers' Society in the Cuddapah district was given a subsidy of Rs. 1,055 for the construction of a shed, the purchase of a sewing machine, etc. With this equipment, it expects to develop its business during the current year. The Pammal Multipurpose Society secured an order for supply of chappals to the Police Force. The Leather Instructor, whose cost was borne from the subsidy given by the Provincial Co-operative Bank, was continued during the greater part of the year and he assisted the leather workers societies to manufacture improved varieties of leather goods. He has since left the job.

(c) *Potters' Co-operative Societies.*—The number of potters' co-operative societies remained at 14 at the end of the year. Of these, the societies in North Arcot, Ramnad and Tirunelveli districts did good business. The Manamathurai Potters' Society produced Rs. 26,810 worth of goods and the value of finished goods sold during the year amounted to Rs. 35,195. The Madras Pot Makers' Society was given a free grant of Rs. 3,075 towards the construction of a modern kiln. It completed the construction during the year and obtained a permit for coal for the manufacture of porcelain articles. It could not, however, utilize the permit for want of finance. It hopes to develop its activities during the current year and manufacture improved varieties of earthenwares. The services of the Ceramic Instructor were continued for another year, and his cost was met from the subsidy given by the Provincial Co-operative Bank.

(d) *Basket Makers' Co-operative Societies.*—Of the seven societies of this type in the Province, five societies in the North Arcot and Salem districts did substantial work during the year under report. The three societies in the Salem district sold finished goods worth Rs. 9,337. The free services of a Junior Inspector for the supervision of these societies were continued.

(e) *Coir and Rope Workers' Co-operative Societies.*—There were twelve societies of this type at the end of the year including the one at Malabar started exclusively for ex-toddy tappers. All these societies purchased raw materials to the extent of Rs. 82,989 and produced finished goods worth Rs. 1·03 lakhs. The value of finished goods sold during the year amounted to Rs. 1·14 lakhs.

Of these, the Mahalipatti Rope Makers' Society in the Mathurai district had 85 members on its rolls of whom 10 were ex-tappers. This society produced Rs. 61,968 worth of ropes and the total sales amounted to Rs. 78,088. The Kumbakonam Yarn Rope Manufacturars' Society produced different varieties of yarn ropes required by the agriculturists and the value of such ropes sold during the year amounted to Rs. 16,074. The workers were paid good wages and the society earned a net profit of Rs. 1,317. The Pavaratty and the Palayur Coir Workers' Co-operative Societies in the Malabar district could not develop their business on account of fluctuations in prices of coir goods. They were able to produce only Rs. 10,508 worth of goods as against Rs. 17,684 in the previous year. Both these societies continued to soak raw cocoanut husks to get superior fibre. They experienced considerable difficulty for funds and have applied for a Government loan of Rs. 5,000 for developing their business. Arrangements are being made with the Industries Department for the supply of coir yarn produced by them to the Beypore Coir Factory. Besides these societies, the Baruva Cottage Industries Society in the North Visakhapatnam district produced coir ropes. To develop its business, it has been given the services of a Junior Inspector free of cost. Since the close of the year, it has undertaken the production of various kinds of coir ropes and more workers are being admitted into the society.

(f) *Mat Weavers' Co-operative Societies.*—Of the fourteen societies of this type, only those in the Cuddapah and Tirunelveli districts did some work. The Cherla Mat Weavers' Society in the East Godavari district was permitted by Government to collect reed grass from padugai lands for one year on an annual nominal rental of Rs. 100. The Giriammalpuram Mat Weavers' Society in the Tirunelveli district was allowed to take korai grass available on Government lands in the Ambasamudram and Nanguneri taluks. For the promotion of the screw pine mat weaving industry on a co-operative basis, Government approved my proposal for the organization of three societies in the Ponnani taluk of the Malabar district. They sanctioned a subsidy of Rs. 50 per month to each of the proposed societies together with the free services of a Senior Inspector for supervision. Arrangements are being made to organize these societies.

3. *Cottage Industrial Societies for Women—(a) General progress.*—On 30th June 1949, there were 54 cottage industrial co-operative societies formed exclusively for women. They had a membership of 4,855 with a paid-up share capital of Rs. 31,798. Most of them were engaged in producing ready-made garments. With a view to provide increased business to these societies, they were permitted to undertake the sale of mill-cloth both to members and non-members. Thirty-one societies undertook this work. They got the stuff in bulk from District Wholesale Stores, and sold them in retail. Their total sales exceeded Rs. 1 lakh. The Madras Provincial Co-operative Bank sanctioned subsidies to some of them

for the purchase of equipment such as sewing machines, almirahs, etc. The total value of raw materials purchased, goods produced, and goods sold by these societies during the year was Rs. 80,226, Rs. 1,19,767 and Rs. 1,16,525, respectively. There was considerable improvement in the working of these societies.

(b) *The Madras Women's Cottage Industrial Central Co-operative Society.*—This Central Institution with headquarters at Madras started work during the year under report. Its objects are not only to find a market for the goods produced by the affiliated women's co-operative societies situated in the City of Madras, but also to arrange for the supply of the raw materials they require and to improve the technique in the manufacture of ready-made garments. All the primary women's societies, the members of the Advisory Committee constituted at a meeting of ladies in the City held in November 1943 for the development of cottage industries among women and other ladies interested in the welfare of women societies, were enrolled as members of the central society. Its management vests in an executive committee of twenty members consisting of one representative of the financing bank, one nominee of the Registrar, nine representatives of affiliated societies and nine representatives of individual members. Government sanctioned a subsidy of Rs. 500 for the purchase of furniture and another subsidy of Rs. 2,400 for a period of one year to meet the salary of its Master Tailor and the rent for its show room. In addition, the Madras Provincial Bank granted a subsidy of Rs. 2,400 towards its working capital. Government permitted the Non-Credit Senior Inspector in the City to work as its Secretary. The society was inaugurated by Her Highness the Maharani of Bhavnagar on 7th February 1949. The Mount Road Sales Emporium of the Madras Provincial Co-operative Marketing Society was handed over to this society. A Master Tailor and a salesman were also appointed. The Central Society is slowly building up trade in finished garments; but it has an adverse market to contend against.

(c) *Some important women's societies.*—(i) *The Visakhapatnam Women's Cottage Industrial Society* had 701 members on its rolls with a paid-up share capital of Rs. 5,009. It trained its members in stitching ready-made garments and embroidery work. It undertook a contract from the Naval Base at Visakhapatnam for stitching dresses and garments for the boys in the Naval Training School. To execute this order, it installed sewing machines in the naval base in apartments kindly lent to it by the naval authorities and employed its members there during fixed hours. It earned Rs. 5,150 on account of this contract. Government gave it the free services of a Junior Inspector and a subsidy of Rs. 100 per month towards contingent expenditure.

(ii) *The Srirangam Ladies' Co-operative Society* in the Tiruchirappalli district amended its by-laws providing for social and recreational activities. It conducted three entertainments and

seven serial functions. It conducted a tailoring class for the benefit of its members. It obtained a vacant site from the local municipality for the construction of a building.

(iii) *Societies in the Madras City.*—Of the 12 women's societies in the City, 9 were at work. They manufactured ready-made garments to the value of Rs. 30,701 during the year and the total wages paid to the members amounted to Rs. 4,185. During the year under report, Government gave them Rs. 3,120 as subsidies for maintaining two lady instructors, two group clerks and a peon. In addition, the societies at Vepery, Nungambakkam and Seven Wells were given a monthly subsidy of Rs. 10 each to meet the rent of their offices.

4. *Other varieties of cottage industrial societies.*—(i) *The Gandhiniketan Village Industries Co-operative Society* in the Mathurai district was amalgamated with the Mathurai Leather Workers' Co-operative Society. There were 348 members on the rolls at the end of the year of whom 73 worked in the society. It manufactured leather goods such as chappals and document cases besides wooden charkas and taklies. The tannery owned by the Mathurai Leather Workers' Society was transferred to it. It constructed a workshop at a cost of Rs. 8,000 on the plot given to it free of cost by the Harijan Sevak Sangh and the Gandhiniketan Ashramam. It sold tanned leather worth Rs. 1·10 lakhs to the villagers in the neighbourhood.

(ii) *Karungulam Cottage Industrial Society* in the Tiruchirappalli district started work during the year under report. The members of the society are mostly carpenters and blacksmiths and the main industry undertaken by them is the manufacture of country carts. It got an allotment of steel tyres and axles from the Director of Controlled Commodities through the Director of Agriculture. During the year under report, it purchased timber and steel worth Rs. 8,389 and it produced 18 bullock carts. The total wages paid to the members amounted to Rs. 3,157.

(iii) *Mannur Cottage Industries Society* in the Tiruchirappalli district also started work during the year. It is composed of Harijan tinkers. It got an allotment of galvanized iron sheets and manufactured buckets, measures, sieves, etc., to the value of Rs. 970.

(iv) *The Cuddalore Cottage Industrial Improvement Society* was given a subsidy of Rs. 1,250 by Government for the purchase of equipment to undertake handpounding of rice on condition that it contributed a similar amount towards the cost of the equipment. As it was not able to contribute its share, the equipment could not be purchased. The question of giving the subsidy without any condition is under examination.

(v) *The Wallajahbad Hindu Religious School Cottage Industry Society.*—This society was sanctioned a subsidy of Rs. 1,750 and a loan of Rs. 1,750 for the purchase of equipment required for the introduction of light metal industry. As the directors of the society could not devote much attention to the introduction of this activity, Government were pleased to sanction the free services of a Junior Inspector to work in the society. The Inspector has since joined duty and it is proposed to secure the services of a Metal Expert from the Strathie Co-operative Engineering Workshop to train the workmen in the manufacture of articles such as coat-hangers, etc. The society expects to purchase the necessary equipment and commence production during the current year.

(vi) *Co-operatives for oil producers in villages.*—On the recommendation of the Indian Oil Seeds Committee, Government sanctioned the post of a Deputy Registrar with special staff to formulate schemes to improve the marketing of oil seeds and to develop village oil industries' co-operative societies of Telis. The special staff was sanctioned for a period of six months and 50 per cent of the cost was to be borne by the Indian Oil Seeds Committee. The Special Deputy Registrar was appointed in March 1949. After conducting the necessary investigation, he prepared a scheme which is now under the consideration of Government.

CHAPTER VIII.

Co-operative Housing Schemes.

1. *General progress.*—In the last administration report, I described the four different types of co-operative housing societies evolved in this Province (Ordinary Building Society, House Building Society, House Construction Society and Co-operative Township) and indicated their distinguishing features. I also explained the part played by co-operative house mortgage banks in utilizing their surplus funds for the erection of houses to be let out to their members on the hire-purchase system. During the year, 58 new housing societies consisting of 42 ordinary building societies, 12 house building societies, 3 co-operative house construction societies, and one Co-operative Township were registered. The following statement indicates the position regarding the different types of housing societies during the year under report :—

Particulars.	Ordinary building societies.	House-building societies.	House construction societies.	Co-operative Townships.	House mortgage banks.	Total.
Number of societies as on 30th June 1940.	174	56	11	2	4	247
Number of members on 30th June 1949.	11,313	4,026	1,506	2,105	4,582	23,532
	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).
Share Capital as on 30th June 1949.	19·04	24·32	36·69	8·82	6·34	95·21

Particulars.	Ordinary building societies.	House-building societies.	House constru tion societies.	Co-operative Townships.	House m rtgage Banks.	Total.
	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IF LAKHS).	RS. (IN LAKS).
Amount of Government loans sanctioned during the year.	22·45	3·53	47·50	..	..	73·48
Government loans outstanding at the end of the year.	25·59	4.31	70·50	..	..	100·40
Total working capital as on 30th June 1949.	50·42	28·92	108·74	8·90	30·09	227·07
Loans disbursed to members during the year.	15·63	3·26	..	..	6·03	24·92
Loans outstanding against members at the end of the year.	29·75	4·93	..	..	21·19	55·87
Number of houses completed during the year.	176	33	70	..	51	330
Total number of houses completed since 1924.	2,914	184	70 *609	..	470	4247
Value of houses completed ..	96·70	11·85	17·87 * 6·54	..	104·77	237·73
Number of houses under construction at end of year.	183	51	421	..	20	675

* These figures relate to the Harveypatti Colony at Mathurai.

2. *Ordinary Building Societies.*—Including the 42 new societies registered during the year, there were 174 ordinary building societies at the end of June 1949. The older building societies situated at Mathurai, Coimbatore, Salem, Tambaram, Madras, Vijayavada and Visakhapatnam continued to do useful work during the year by providing loans to their members for the construction of houses on sites already owned by them. Seventeen of the newly registered societies applied for the acquisition of 336·84 acres of land and one society took possession of the site. Fifteen applications covering 265·33 acres were pending with the Special Land Acquisition Officer at the end of the year. The Chandramoulinagar Co-operative Building Society, Guntur, was the first among the newly registered societies to complete the houses it undertook to construct. It built 19 houses for its members on an agency basis at a cost of about Rs. 2·7 lakhs and completed the work in a record time of 15 months. The new colony established by the society was declared open by the Premier of Madras, the Hon'ble Sri P. S. Kamaraswami Raja, on the 7th July 1949.

3. *House Building Societies.*—Twelve new house building societies were registered during the year. Including the ordinary building societies that converted themselves into house building societies, there were 56 house building societies at the end of the year. Sixteen of them applied for the acquisition of 464·47 acres of land. Five took possession of lands measuring 133·81 acres in extent. Fifteen applications involving 305·44 acres were pending with the Special Land Acquisition Officer at the end of the year.

House building societies at Kovvur and Eluru in the West Godavari district commenced construction of houses during the year. These two societies were sanctioned 68 loans for Rs. 4·04 lakhs.

4. *House Construction Societies.*—Three new house construction societies were registered during the year at Tuticorin, Guntur and Rajahmundry. The Sultanabad Co-operative Building Society at Tenali in the Guntur district converted itself into a house construction society during the year. So, at the end of the year, there were 11 co-operative house construction societies, of which three were exclusively for mill-employees at Mathurai, Vikramasingapuram and Tuticorin, one exclusively for the weavers at Tenali and the remaining 7 at Rajahmundry, Guntur, Madras, Tanjore, Tiruchirappalli, Mathurai and Palayamkottai, for the general public.

(i) *The Madras Co-operative House Construction Society* completed the construction of 70 houses in Gandhinagar, Adyar, by June 1949, and the new colony was declared open by Dr. Pattabhi Sitaramayya, the President of the Indian National Congress, on 13th June. The construction of the remaining 272 houses in this colony is progressing fast and most of them will be completed by the end of 1949. Steps are being taken for the provision of common amenities to the colony such as markets, playgrounds, metalled roads, protected water-supply and electric lighting. Underground drainage and sewage have been laid out and houses have been supplied with electricity. Sixty houses have so far been occupied in the colony and when all the 342 houses are occupied, pressure on housing accommodation in the congested parts of the City will be eased considerably.

The society has taken possession of 22 acres of lands in Ayanavaram where it proposes to establish a colony mainly for the lower middle classes. A layout plan has been prepared providing for 134 houses, of which, 127 will be C class houses. The society constructed 4 cheap model houses at Ayanavaram for demonstration purposes—two of hollow blocks with a plinth area of 739 and 604 square feet costing respectively about Rs. 6,500 and Rs. 5,000; the third, a terraced house with a plinth area of 470 square feet costing about Rs. 3,450 and the fourth a tiled house with a plinth area of 480 square feet costing about Rs. 3,265. But these types of cheap houses did not find favour with the applicants for houses at Ayanavaram who preferred houses of the traditional structure in brick with lime or cement mortar.

The society will shortly take possession of about 33 acres in Adyar II, adjacent to Gandhinagar, and it has invited applications for the construction of houses on this site. Of the three blocks of lands selected for acquisition in Mylapore, the society has given up one and acquisition proceedings in respect of one of the two remaining blocks are drawing to a close. The society may take possession of this block early in 1950.

At the end of the year, the society had 692 members on its rolls with a paid-up share capital of Rs. 23·08 lakhs. Two hundred and ninety-two applicants for membership were on the waiting list and the earnest money deposited by them amounted to Rs. 2·86 lakhs. For the construction of houses in Gandhinagar, Adyar, the society has so far been sanctioned a Government loan of Rs. 67 lakhs, of which it drew Rs. 58 lakhs before the end of June 1949. No instalment for the repayment of principal or the payment of interest fell due to Government during the year under report. The society was given the loan of the services on foreign service terms of a Deputy Registrar, and two Senior Inspectors from the Co-operative Department besides a Divisional Engineer, 3 Assistant Engineers and 3 supervisors from the Public Works Department and a Manager from the Corporation of Madras.

(ii) *The Tanjore Co-operative House Construction Society* had 81 members on its rolls with a paid-up share capital of Rs. 1·25 lakhs. The construction of 25 houses is half-way through and they are expected to be completed soon. In addition to the 34·47 acres already taken possession of by the society, acquisition proceedings are pending in respect of 9·7 acres with the Collector of Tanjore. A retired Government Officer approved by the Registrar is working as its paid secretary. A Government loan of Rs. 2 lakhs has been disbursed and the sanction of an additional loan of Rs. 2 lakhs is under consideration.

(iii) *The Palayamkottai Co-operative House Construction Society* had a membership of 138 with a paid-up share capital of Rs. 2·14 lakhs at the end of the year under report. In addition to 44·59 acres already acquired by it in Kulvanikkapuram, it applied for the acquisition of 18·76 acres more to provide for the expansion of the colony. The acquisition proceedings are almost complete and possession of the lands is likely to be given soon. One hundred and twenty-one houses are under construction, and the first batch of about 50 houses will be ready shortly. The society has drawn a Government loan of Rs. 5·50 lakhs. A Co-operative Sub-Registrar is working as its paid Secretary on foreign service terms. It had planned to provide civic amenities for the colony and develop it on its own lines as a self-contained unit; but Government have since included it in the municipal limits of Melapalayam. It has pleaded that if it should perforce be included in a municipality, it might be allotted to the adjacent Palayamkottai Municipality.

(iv) *The Mathurai Co-operative House Construction Society* had at the end of the year 311 members on its rolls with a paid-up share capital of Rs. 5·66 lakhs. During the year, it took possession of 148·29 acres of land in Tirupurankundram village. A lay-out plan providing for 49 A class, 71 B class, 270 C class and 134 D class houses was approved by the Director of Town-Planning. At the end of the year it had begun the construction of 14 houses and it proposes to build another 209 houses during the current year. It has so far drawn a Government loan of Rs. 5 lakhs; a Deputy Registrar is working as its Secretary and it has also employed a retired Municipal Engineer.

(v) *The Tiruchirappalli Co-operative House Construction Society* continued to be in that singularly unfortunate position to which reference was made in the last report. After many unsuccessful attempts at securing different sites, it renewed its application for the acquisition of about 185 acres of wet lands between the Woriyur and Tennur roads, in the heart of the built-in-area of the town. Government have at last been pleased to waive their objection to the acquisition of wet lands and permitted it to acquire them. It is hoped that this will regain the lost enthusiasm of the promoters of the society and lead to much building activity.

Two house construction societies were registered at Guntur and Rajahmundry, but they have not yet applied for the acquisition of sites. A house construction society was registered for the employees of the Coral Mills at Tuticorin and it is negotiating for the alienation of Government lands. The housing society for the mill-workers at Harveypatti (Mathurai) did not construct any additional houses during the year, and that at Vikramasingapuram has not yet commenced building operations. These 3 housing societies for mill hands are financed by the Mathurai Mills. The Sultanabad House Construction Society for the weavers at Tenali whose houses were destroyed by fire in 1945, proposes to construct 10 houses to begin with at an estimated cost of Rs. 1,500 each, of which Rs. 900 will be met by borrowings from Government, Rs. 300 will be contributed by the applicant and Rs. 300 will be donated by the Tenali Weavers Relief Committee towards the share capital of the members. This society is an example of, how organized private philanthropy can assist the poorer classes to own houses of their own, if they have adequate repaying capacity to clear the Government loan in twenty years. Permission has been accorded to the registration of a new House Construction Society at Coimbatore for taking over the house building activities of the Coimbatore Co-operative House Mortgage Bank, which found it difficult to carry on its normal business of giving loans on completed houses alongside of building fresh houses. The question whether Government should finance the houses already constructed by the bank and pay off the outside creditors or whether they should confine advances to the construction of houses to be built hereafter, is under consideration, and as soon as a decision is taken on it, the society will be registered.

5. *Co-operative Townships.*—The Katpadi Co-operative Township made considerable progress during the year under report. The Special Land Acquisition staff appointed for it completed the acquisition of 365·85 acres and was disbanded on 31st March 1949. The acquisition of the remaining 33·42 acres was completed by the Special Land Acquisition Officer for Co-operative Housing Schemes, Madras. The Township has prepared lay-out plan providing for 1,933 plots of 5 different sizes and has got it approved by the Director of Town-Planning. A Deputy Registrar is working as its paid Secretary on foreign service terms and Government have recently sanctioned the services of an Assistant

Engineer of the Public Works Department on foreign service terms to be in charge of construction work. The Township has collected building materials such as timber, iron and steel and proposes to commence building operations early in 1950. At the end of the year, it had a membership of 1,043 with a paid-up share capital of Rs. 8·59 lakhs.

A Co-operative Township was registered during the year at Padavu near Mangalore but it has not yet commenced work. The original proposal for the formation of a co-operative township at Kattuppakkam in Chingleput district was not approved by Government because the major portion of the lands in question was required for other purposes. Hence revised proposals have been sent to Government through the Board of Revenue for the assignment of additional lands adjacent to the original site and their orders are awaited.

6. *Co-operative House Mortgage Banks.*—There are four house mortgage banks which advance loans for the construction of houses in addition to other purposes. They had a membership of 4,582 with a paid-up share capital of Rs. 6·34 lakhs and a Reserve Fund of Rs. 1·98 lakhs. They disbursed a sum of Rs. 6·03 lakhs to their members for the construction of houses and Rs. 5·23 lakhs for other purposes. None of them is financed by Government. They owed a sum of Rs. 21·77 lakhs to depositors and the South Indian Co-operative Insurance Society at the end of the year. As soon as a new house construction society is registered at Coimbatore, the Coimbatore Co-operative House Mortgage Bank will divest itself of its house construction activities on the hire-purchase system and confine itself to advancing loans for the construction of houses on the individual ownership system like the other house mortgage banks.

CHAPTER IX.

Miscellaneous Types of (Non-Agricultural) Co-operative Societies.

1. *Co-operative Insurance Societies.*—The progress made by the four co-operative insurance societies in the Province is narrated below :—

(*a*) *The South India Co-operative Insurance Society, Ltd.*—This society is 17 years old. During the year 1948–49, it received 7,874 proposals for a total value of Rs. 112·32 lakhs, and, by the end of the year, it issued 6,436 policies for Rs. 91·86 lakhs. The total amount of premia realized during the year was Rs. 18·00 lakhs, of which Rs. 4·51 lakhs were first year premia on new policies. The total amount to the credit of the Life Fund at the end of the year was Rs. 58·16 lakhs. During the year it settled the claims in respect of 273 policies for a total sum of Rs. 2·60 lakhs. The fourth valuation of the Society's assets as on 31st December 1948 was completed by its actuary and it disclosed a surplus of Rs. 2·91 lakhs. The actuary has recommended a simple reversionary bonus of Rs. 8 and Rs. 6 per thousand of the sum assured on all "with profits" policies issued under Whole Life and Endowment Assurances respectively. The Society extended its business to the Bihar and Orissa Provinces in addition to the United Provinces. When I was at Lucknow recently, I was pleased to hear that the activities of this Society in the United Provinces were appreciated.

(b) *The Co-operative Fire and General Insurance Society, Ltd.*—This Society confines its business to fire insurance chiefly, although it insures motor vehicles and issues fidelity guarantee bonds as well. Marketing Societies, Weavers' Societies, Stores Societies, etc., are its chief clients. During the year under report, it issued 4,462 fire insurance policies covering a risk of Rs. 10·79 crores and realised Rs. 3·10 lakhs as premia. Under Fidelity Guarantee, it issued 61 policies for an aggregate risk value of Rs. 85,400. It also insured 789 Motor vehicles realising a total premia of Rs. 1·44 lakhs. It intends to extend its operations to the neighbouring states and has amended its by-laws for this purpose.

(c) *The Indian Posts and Telegraphs Co-operative Insurance Society, Ltd.*—The area of operations of this society extends throughout India. Since the close of the co-operative year under review, membership in the society was thrown open to all the employees of the Central and the Provincial Governments and of Government owned Railways. The Society enjoys the concession of recovering the premia from the policy holders out of pay disbursements. The premia rates now in force are even less than the rates of the Postal Insurance Fund run by the Indian Posts and Telegraphs Department. On 31st December 1948, this society had a membership of 3,221 with a paid up share capital of Rs. 18,811. During the year 1948, it issued 217 policies for a total value of Rs. 2·48 lakhs. The amount of premia realised during that period was Rs. 1·26 lakhs. On 31st December 1948, there were 3,312 policies in force involving a risk of Rs. 32·84 lakhs and the Life Assurance Fund amounted to Rs. 12·33 lakhs. During the year 1948, it settled claims and bonus to the extent of Rs. 90,493. Claims for a total amount of Rs. 67,284 were pending settlement at the end of the year.

(d) *The Madras Co-operative Motor Vehicles Insurance Society, Ltd.*—This society is again considering the question of getting its registration under the Madras Co-operative Societies Act cancelled so as to register itself as a Joint Stock Insurance Company. Such a course will enable it to undertake miscellaneous insurance business which it is now precluded from doing under its by-laws. Insurance of public vehicles alone does not provide it with as much business as it wants. During the year ended 31st December 1948, it received a total net premia of Rs. 71,747. A reserve for unexpected risks at 50 per cent of the net premium income was created and this amounted to Rs. 32,648.

A provision of Rs. 10,000 was also made towards the total estimated liability in respect of claims outstanding on 31st December 1948. The Society earned a net profit of Rs. 20,948 during the year 1948.

2. *Labour Contract Societies.*—Of the 29 labour contract societies in the Province, only few in the Anantapur, North Arcot, Mathurai, Malabar, Kurnool and Nellore districts, were able to do work during the year under report. They secured contracts to the extent of Rs. 1·71 lakhs during the year and about Rs. 67,000 worth were pending execution at the beginning of the year. The total value of works executed during the year was more than Rs. 1·96 lakhs. The total amount of wages paid to members was Rs. 94,402 and that to non-members was Rs. 54,840. They earned a net income of Rs. 11,743. The two societies in the Mathurai district particularly did good work executing nearly Rs. 1 lakh worth of works. Their services were utilised by the Co-operative House Construction Society in the district. The Uralangal Labour Contract Society in the Malabar district took up contracts like the construction and repairs of roads, culverts, buildings, digging of wells, canals, etc. During the year under report, it executed works to the value of Rs. 44,333 and the workers were able to get good wages in a month when there was continuous work. On account of the difficulty in providing food to the worker members, the society was unable to undertake contracts at places far distant from its headquarters. Wherever possible, the services of labour contract societies are utilized by co-operative housing societies in the construction of houses.

3. *Co-operative Canteens and Restaurants.*—Of the twenty societies of this kind in the Province at the end of the year, one did not commence work and two others did not do any work. In all, the 19 societies which had commenced work, there were 5,046 members at the end of the year with a total paid up share capital of Rs. 13,707. The value of raw materials, provisions, etc., purchased by them during the year amounted to Rs. 2·14 lakhs, and the sales amounted to Rs. 2·52 lakhs. The societies earned a gross profit of Rs. 42,558, though some of them sustained a net loss of Rs. 5,896. The canteens in the North Arcot and Coimbatore districts and in the Madras City did particularly well. The prospects of establishing canteens in the plantations on the hills to serve the labourers with good and wholesome food at cheap rates are under examination.

4. *Co-operative Printing Societies.*—Including the Pudukkottai Co-operative Printing Press, there were six printing societies in the Province at the end of the year. Of these, the society at Salem has not yet purchased the machinery required to start work. All the six societies had a paid-up share capital of Rs. 91,035 at the end of the year. The Society at Kozhicode purchased machinery during the year for Rs. 39,682 and commenced work. During the year under report, five societies executed printing, binding and other works for a total value of Rs. 3·49 lakhs. They also printed books and forms on their own account for Rs. 1·48 lakhs for supply to

co-operative institutions. The Co-operative Printing Works at Coimbatore and Madras did particularly good business. Except the newly started press at Kozhicode, the others earned a net profit of Rs. 32,821 during the year. The Kozhicode Society sustained a loss of Rs. 4,386 which it hopes to recoup during the current year.

5. *Fishermen Co-operative Societies—(a) General progress.*—Co-operative societies exclusively for fishermen were formed with the object of improving their socio-economic conditions and improving the technical and commercial aspect of the fishing industry. Not much progress has been attained with the latter object owing to the excessive indebtedness of fishermen to the money-lender or trader. To redeem them from this enslavement is a herculean task for which the department requires more staff. Yet, some progress has been made. On 30th June 1949, there were 178 co-operative societies for fishermen as against 158 at the end of the previous year. Of these, three societies had not commenced work. The remaining 175 societies had 16,884 fishermen and 698 sympathisers as members with a paid up share capital of Rs. 2·05 lakhs. The total borrowings outstanding on 30th June 1949 were Rs. 1·56 lakhs from Central Banks and Rs. 0·57 lakh from others. They disbursed Rs. 3·03 lakhs as loans during the year, and disposed of Rs. 27,597 worth of fish during the year. The total Reserve Fund at the end of the year amounted to Rs. 70,263. Some of the societies distributed foodstuffs and other domestic requirements to the value of Rs. 15·90 lakhs. Some distributed yarn for making nets to the value of Rs. 32,333.

(b) *Fishermen Co-operative Societies in the Coastal districts.*—Fishermen Co-operative Societies in the South Kanara and Malabar districts in the West Coast and in the Visakhapatnam district in the East Coast continued to be under the control of the Fisheries Department. On 30th June 1949, there were 26 societies in the South Kanara district, 43 in the Malabar district and 17 in the Visakhapatnam district. All these 86 societies had 9,090 members on their rolls at the end of the year with a paid-up share capital of Rs. 1·53 lakhs. The total borrowings at the end of the year amounted to Rs. 1·66 lakhs. During the year under report they issued loans to the extent of Rs. 2·51 lakhs. Nine societies in the South Kanara district and 18 societies in the Malabar district distributed food-stuffs and other domestic requirements to the value of Rs. 15·32 lakhs. Two societies in the South Kanara district undertook the joint sale of fish and the value of fish so sold during the year amounted to Rs. 5,971.

The supervision of these societies continued to be done by a special co-operative staff. In the West Coast, one Co-operative Sub-Registrar and four Junior Inspectors did this work under the control of the Assistant Director of Fisheries, Kozhicode. One Junior Inspector attended to the supervision of the societies in the Visakhapatnam district under the control of the Inspector of Fisheries, Visakhapatnam.

(c) *Fishermen Societies in other districts.*—Besides the 86 societies in the South Kanara, Malabar, and Visakhapatnam districts, there were 89 societies in seventeen other districts under the control of this department. Of these, the societies in the Chingleput, Mathurai, Tanjore, Tiruchirappalli and Kurnool districts alone did some work by obtaining leases of inland fisheries and sub-leasing them to their members. During the year under report, the value of inland fisheries taken on lease by them amounted to Rs. 75,359. These were sub-leased to 2,335 members. The supervision of these societies is generally done by the regular non-credit staff in the districts. But Government sanctioned a special staff of three Junior Inspectors to organize Fishermen Co-operative Societies in the East Coast districts of Madras, East Godavari and Tirunelveli. Many of these societies could not secure fishery leases on account of competition from private fish merchants and contractors. The four societies in the Tanjore district were, however, able to secure leases of inland fisheries for a total value of Rs. 50,150 and sub-leased them for Rs. 58,536 to their members. But their progress was retarted by factions.

6. *Salt Licensees Co-operative Societies.*—Including the Arumuganeri Salt Production and Sale Society in the Tirunelveli district started during the year, there were three societies of this type in the Province. The Cheyyar Society in the Chingleput district was dormant. The Mercanam Salt Licensee Society in the South Arcot district sold Rs. 6,136 worth of salt during the year. The Arumuganeri Society produced Rs. 11,883 worth of salt and the value of salt sold by the end of the year amounted to Rs. 6,863. Proposals are under consideration for starting similar societies in the coastal parts of the Nellore, West Godavari and Ramnad districts.

7. *Educational and Publishing Societies.*—The Kanara Educational Co-operative Society in the South Kanara district issued Rs. 9,935 as long-term loans to deserving Catholic pupils for prosecuting their higher studies. At the end of the year a sum of Rs. 15,026 was outstanding against the students. The Madras Catholic Education Society in the City raised a donation of Rs. 3,365 during the year and disbursed loans to the extent of Rs. 1,300 to deserving students. The South India Adult Education Society sold books to a total value of Rs. 454.

8. *The Madras Rikshaw Pullers Co-operative Society.*—This society, formed for the benefit of rickshaw-pullers in the year 1939, was dormant till June 1946 when it was revived with the free services of a Senior Inspector and a peon. One rickshaw was built in the year 1945–46 and ten more were built during the year 1946–47. Now, the society owns thirty rickshaws valued at Rs. 5,457. The society constructed a zinc shed in Nungambakkam for parking the rickshaws at night; but it was sold out as it was very inconvenient for the workers to take the rickshaws at nights for parking. The society collects a hire-charge of six annas per day per rickshaw out of which one anna is credited to the thrift fund of

the puller. The thrift fund so far collected amounts to Rs. 973. The society also supplied the workers with khaki shorts, shoes and hats. It proposes to open another unit of 25 rickshaws at George-town, and has, since the close of the year, obtained a loan of Rs. 2,500 from the Co-operative Central Bank for this purpose. Steps are being taken to purchase the rickshaws to open the unit. For this unit it proposes to have the hire charges, fixed at 8 annas per day of which two annas will be credited to the thrift fund of the members. This will facilitate the members to accumulate larger savings and enable them to have a rickshaw of their own earlier. The society is also arranging to supply the domestic requirements of the workers through the branches of the Triplicane Urban Co-operative Society.

CHAPTER X.

Co-operative Societies for Ex-servicemen.

1. *General.*—The Co-operative year 1948–49 was one of consolidation rather than one of expansion. Schemes for the reorganization of co-operative workshops were worked out, plans for the development of the land colonization societies were drawn up and programmes for the improvement of motor transport societies were drafted. Funds required for all this were obtained from the Post-War Services Reconstruction Fund Committee, the Central Government or the Provincial Government. In addition, a Metal Expert, a Timber Expert and an Automobile Expert were appointed in the place of the one Technical Expert, the Department had during the preceding year.

Even though the resettlement schemes were making steady progress with all these aids and were rehabilitating many of the demobilized personnel, the general public, especially the people in rural areas, were not aware of the amount of encouragement given to ex-servicemen and the benefits derived by the members of ex-servicemen societies. It was, therefore, considered necessary that the activities of ex-servicemen societies should be filmed and exhibited throughout the Province. The Post-War Services Reconstruction Fund Committee sanctioned a sum of Rs. 30,000 for a film. Arrangements are being made to produce the film.

2. *Co-operative Workshops.*—At the end of 1947–48 there were eleven workshops. Of these, the Tirunelveli District Co-operative Metal Works was liquidated in January 1949. The remaining workshops shown below continued to carry on business :—

(1) The Strathie Co-operative Engineering Workshop, Madras.

(2) The Reid Co-operative Timber Works, Tiruvottiyur.

(3) Kumbakonam Co-operative Metal Works, Kumbakonam.

(4) The Malabar District Co-operative Metal Works, Olavakkode.

(5) The Malabar District Co-operative Timber Works, Olavakkode.

(6) The Visakhapatnam District Co-operative Metal Works.

(7) The Visakhapatnam District Co-operative Timber Works.

(8) The Tirunelveli District Co-operative Timber Works.

(9) The Katpadi Metal Works.

(10) The Katpadi Timber Works.

Such of the ex-servicemen as did not have sufficient experience were admitted to the Technical Training Centre, attached to the workshops and given training in their respective trades under the Government of India Technical Training Scheme.

Though the ten Co-operative Workshops were started in the year 1946, they had not been equipped with up-to-date labour saving machinery. They had been functioning on a small scale, undertaking the manufacture of goods on manual labour basis with the aid of hand tools and small machines. A review of the working of each workshop was undertaken and proposals for their reorganization on up-to-date lines including the installation of machinery were submitted to Government. Government approved the schemes for the reorganization of the following workshops :—

(1) Malabar District Co-operative Metal Works.

(2) Malabar District Co-operative Timber Works.

(3) Kumbakonam Co-operative Metal Works.

(4) Visakhapatnam Co-operative Metal Works.

(5) Visakhapatnam Co-operative Timber Works.

(6) Tirunelveli Co-operative Timber Works.

The scheme of reorganization of the Strathie Co-operative Engineering Workshop, Madras, is pending consideration with Government. The capital cost involved in the reorganization of the workshops was proposed to be met by the Committee for the administration of the Post-War Services Reconstruction Fund and the Provincial Government in the ratio 60:40 respectively. The Committee has so far sanctioned Rs. 6·89 lakhs for reorganizing the above mentioned six workshops and has also sanctioned grants towards housing some of the ex-servicemen besides subsidies towards the cost of employing technical staff and training the ex-servicemen as shown below :—

Name of the workshop.	Sixty per cent of capital expenditure.	Grants towards housing.	Cost of technical staff.	Stipends.	Total.
	RS.	RS.	RS.	RS.	RS.
Visakhapatnam Metal Works	89,400	62,500	8,400	3,420	1,63,720
Visakhapatnam Timber Works	58,800	62,500	2,760	3,420	1,27,480
Kumbakonam Co-operative Metal Works ..	1,20,000	..	8,400	..	1,28,400
Malabar District Metal Works	84,000	17,500	8,400	3,600	1,13,500
Malabar Timber Works	57,300	17,500	3,000	3,600	81,400
Tirunelveli Timber Works	63,000	6,000	2,760	3,600	75,360

Arrangements are being made to carry out the reorganization. I hope that in the course of this year, all the workshops will be equipped with machinery and will be in full working order.

The Strathie Co-operative Engineering Workshop is engaged in the manufacture of sheet metal works, such as household utensils from brass, copper, aluminium and stainless steel. In addition, the workshop manufactures machines such as toggle presses, spinning lathes, polishing lathes, disc-cutting machines, swaging machines, tile presses, pug-mills, hollow-cement-block making outfits, iron gates, garage doors, iron-roof trusses, metal parts for radios, etc., as well as spare parts for machines. It also manufactures various kinds of articles of furniture required for houses and offices, drawing-room furniture, windows and window frames, doors and door-frames, etc. The workshop has been recognized as one of the fabricators of agricultural implements by Government. Its efficiency is demonstrated by the fact that it has on hand large orders from big commercial and industrial houses, and is not put to the necessity of canvassing for them.

The metal works at Kumbakonam, Visakhapatnam, Katpadi and Olavakode manufacture all types of household utensils such as kudams, adukkus, tiffincarriers, kujas, etc., made of brass, copper and stainless steel. The timber workshops manufacture, office and drawing-room furniture, tables and chairs required by Government Offices, District Boards Schools and other public bodies. Government have instructed the officers to indent on the workshops for their requirement of furniture and permitted the District Boards and Municipal Councils to obtain their requirements of articles manufactured by the ex-servicemen societies and amended the relevant rules.

During the year, the workshops continued to run technical training centres under the Government of India Technical Training Scheme. The timber workshops and the Strathie Co-operative Engineering Workshop which have been provided with instructional staff at the cost of the Government of India, get a training fee of Rs. 7 per month per trainee, while the metal workshops which employ their own instructors, get Rs. 15 per month. All the workshops except the Reid Co-operative Timber Works gave training to their ex-servicemen members numbering 498. At the end of the year, there were 1,556 members on the rolls of all the workshops with a paid-up share capital of Rs. 1,02,704 as against 1048 members will a share capital of Rs. 1·1 lakhs on 30th June 1948. Their working capital was Rs. 5·4 lakhs. During the year, they purchased raw materials to the value of Rs. 3·01 lakhs and manufactured finished goods worth Rs. 4·44 lakhs as against Rs. 3·15 lakhs and Rs. 3·62 lakhs respectively in the previous year. Articles to the value of Rs. 4·24 lakhs were sold. Wages amounting to Rs. 1,08,964 were paid to their members and to piece-workers during the year.

3. *Land Colonization Societies.*—There were at the end of the year 10 land colonization societies for ex-servicemen as shown below :—

Name of Society.	District.
1 Kalavapudi Agricultural Land Colonization Co-operative Society.	West Godavari.
2 Komaragiripatnam Agricultural Land Colonization Co-operative Society ..	East Godavari.
3 Kalidindi Agricultural Land Colonization Co-operative Society ..	Krishna.
4 Rudravaram Agricultural Land Colonization Co-operative Society ..	Kurnool.
5 Meyyur-Gudapakkam Agricultural Land Colonization Co-operative Society ..	Chingleput.
6 Chinnakkalapalayam Agricultural Land Colonization Co-operative Society ..	Coimbatore.
7 Manivilandan Agricultural Land Colonization Co-operative Society ..	Salem.
8 Thirumanagalakottai Agricultural Land Colonization Co-operative Society ..	Tanjore.
9 Neidalur Agricultural Land Colonization Co-operative Society.	Tiruchirappalli.
10 Piduguralla Agricultural Land Colonization Co-operative Society..	Guntur.

The society at Bhavedevarapalli (Krishna district) has not yet begun to function as the lands proposed for colonization are still under *Sivoijama* occupation. The Government sanctioned a scheme for the formation of a co-operative society for ex-servicemen in Allur Nizampatnam in Guntur district for settling 150 ex-servicemen on an extent of 1,257 acres. Detailed estimates for the reclamation of the areas are under consideration of Government. A proposal for settling 30 ex-servicemen in the Nallavanniamkudikadu village, Papanasam taluk, Tanjore district, is engaging my attention. All other schemes, which were once dropped for one reason or another, were re-examined and dropped as unsuitable for colonization. There were 1,185 members on the rolls of the 10 societies specified above at the end of the year with a paid-up share capital of Rs. 1,96,206. Out of the total area of 11,000 acres comprised in the colonies, 5,570 acres were reclaimed up to the end of the year and the members brought under cultivation 4,403 acres.

The following statement shows the ultimate strength of each colony, extent of land allotted, reclaimed, cultivated, etc. :—

Land Colonies for Ex-servicemen.

Name of society.	Ultimate strength of colony.	Number of members as on 30th June 1949.	Total extent allotted to the colony for cultivation.	
			Wet.	Dry.
(1)	(2)	(3)	(4)	(5)
1 Kalavapudi Society ..	345*	209	1825·00	
2 Komaragiripatnam Society ..	120	120	459·56	..
3 Kalidindi Society ..	375	220	1864·00	..
4 Rudravaram Society ..	72	70	383·00	111·00
5 Pidnguralla society ..	56	55	..	489·89
6 Meyyur-Gudapakkam Society ..	82	71	..	484·00
7 Chinnakkalpalayam Society ..	39	42 †	56·00	69·00
8 Manivilandan Society ..	250	36	..	2,992·63
9 Thirumangalakottai Society ..	235	224	1,441·00	..
10 Dr. Rajan Nagar Society ..	82	79	361·27	..

* It was originally 361 since reduced to 345. † 21 members have been expelled from the society.

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Name of society.		Total extent reclaimed.		Extent to be reclaimed.		Extent cultivated.	
		Wet.	Dry.	Wet.	Dry.	Wet.	Dry.
		6)	(7)	(8)	(9)	(10)	(11)
1	Kalavapudi Society	999·56	..	825·44	..	999·56	..
2	Komaragiripatnam Society	305·00	..	164·56	..	210·00	..
3	Kalidindi Society	1,614·27	..	219·73	..	900·00	..
4	Rudaravaram Society	377.32	..	5·68	111·00	377·32	..
5	Piduguralla Society	..	170·00	..	319·89	..	170·00
6	Meyyur-Gudapakkam Society	..	484·00	..	..	..	321·00
7	Chinnakkalpalayam Society	58·00	89·00	..	..	58·00	62·00
8	Manivilandan Society	..	447·00	..	25,45·68	..	306·00
9	Thirumangalakottai Society	743·00	..	698·00	..	748·00	..
10	Dr. Rajan Nagar Society	284·00	..	77·27	..	256·00	..

During the year the Government modified their previous orders regarding the financial limit fixed for each of the agencies contributing towards the total cost of the colonization. The revised contribution of each agency will be—

(i) Colonist	Rs. 50 (Share Capital).
(ii) Central Government ..	One-third of the total cost or Rs. 500 whichever is less.
(iii) Post-War Services Reconstruction Fund Committee Grant Rs. 475.	Rs. 250 (Share Capital). Rs. 225 for bulls, implements, manure, seeds, etc., per settler.
Loan Rs. 325	Rs. 200 per settler towards share capital to be repaid in 20 years and Rs. 125 per settler for purchase of bulls repayable in three years.
(iv) Provincial Government ..	Land value and that portion of the cost which is not recoverable from any contributing agency varying in each case.

A Central Government grant of Rs. 8,56,500 was claimed for 1,713 members. An amount of Rs. 2·18 lakhs has been received and its adjustment to the Provincial revenues towards the cost already incurred by them on the colonies is under consideration.

The Committee for Post-War Services Reconstruction Fund has so far contributed Rs. 4,82,051 as grant and Rs. 3,21,275 as loan towards share capital of members and for the purchase of bulls, implements, seeds and manures. The purchase of bulls, implements, etc., is being made by the secretaries of the colonies.

Up to the end of the year, 47 houses, 670 huts, 32 irrigation wells, 15 drinking water wells and 4 tanks were constructed in the several colonies. Arrangements for the construction of more huts and houses are under way.

Reclamation of land with the help of tractors was made in Thirumangalakottai and Rudravaram colonies and steps are being taken for the provision of irrigation and drainage facilities in

Kalidindi, Komaragiripatnam, Kalavapudi, Rudravaram and Meyyur-Gudapakkam Land Colonies in consultation with the Public Works Department. Demonstration plots have been set apart in each colony. Survey and subdivision work has been completed in Kalavapudi, Meyyur-Gudupakkam, Chinnakkalpalayam and Piduguralla and in the other colonies arrangements have been made; but work is being delayed either on account of the lands being under cultivation or a surveyor not having been posted. Lands have been alienated to the societies in Thirumangalakottai and Kalidindi. In respect of others, proposals are being submitted to the Government through the Board of Revenue.

In order to provide additional sources of income to the colonists, subsidiary occupations like vegetable gardening, poultry farming, bee-keeping, weaving, etc., have been introduced. Thirumangalakottai, Dr. Rajan Nagar and Meyyur-Gudapakkam colonies propose to promote dairying. Tree-planting has been introduced in all the places.

Vocational Training Centres under the Government of India Scheme continued to work in Thirumangalakottai, Dr. Rajan Nagar, Rudravaram, Kalavapudi, Komaragiripatnam and Meyyur-Gudapakkam colonies. These centres provide instruction to the colonists in practical methods of agriculture and the use of up-to-date implements. The Government of India pay stipends and allowances to the colonists and a training fee to the society.

In order to provide common amenities such as reading room, lighting, parks, etc., a fund has been instituted in all the colonies to which each colonist subscribes a small amount at the rate fixed by the society.

The Hon'ble Minister for Local Administration visited the Thirumangalakottai Land Colonization Society and the Hon'ble Minister for Food visited Komaragiripatnam Land Colonization Society during the year.

The Assistant Director of Employment, Ministry of Labour, New Delhi (Major Ramachandra) and the Director-General of Resettlement and Employment, New Delhi, visited Thirumangalakottai and Meyyur-Gudapakkam Land Colonization Societies respectively.

The liberal help of the Post-War Services Reconstruction Fund Committee has been instrumental in stimulating the progress of the colonies. It is my belief that before long these colonies will prove to be flourishing centres of agricultural enterprise which will ensure contentment to the ex-servicemen colonists.

4. *Co-operative Motor Transport Societies for Ex-Servicemen.*—The year under report records considerable increase in the activities of co-operative motor transport societies. New lines of work such as opening of branches, the running of regular lorry services, parcel service and inter-district goods transport service were introduced.

During the year, one more society was formed at Vijayavada. Forty-one vehicles were sent to the societies in addition to the two hundred and forty-seven which they already owned. There were thus thirteen co-operative motor transport societies for ex-service-men with two hundred and eighty-eight vehicles on the last day of the year. They consisted of 814 members with a paid-up share capital of Rs. 2·6 lakhs. They earned hire-charges amounting to Rs. 27·86 lakhs, while the maintenance and running expenses came to Rs. 17·16 lakhs, of which Rs. 3·76 lakhs were given as pay and allowances to the members. Out of the loan of Rs. 20 lakhs sanctioned by the Committee for the administration of the Post-War Services Reconstruction Fund to meet the capital expenditure of the society, a sum of Rs. 17·43 lakhs was drawn. The loan repayment sinking fund, which the societies had created for the discharge of the loan amounted to Rs. 8·92 lakhs at the end of the year. A sum of Rs. 4·59 lakhs was accumulated by the societies in a fleet replacement fund whch is designed to provide for another fleet of lorries at the end of five years. The societies have since begun to repay the loan. A sum of Rs. 6·70 lakhs was repaid till 15th November 1949. The societies earned a gross profit of Rs. 4·8 lakhs; twelve of them made a profit of Rs. 2·8 lakhs; one society worked at a loss of Rs. 7,812.

The Madras Society continues to act as the agent of the rest of the motor transport societies for the purchase and supply of spares, accessories, etc. It is also the chief agent for the insurance of vehicles of all the societies.

With a view to widen the range of activities of these societies, several plans were formulated. The parcel service scheme is one. The Coimbatore-Tuticorin Parcel service and the Madras-Coimbatore Parcel service were started. Regular lorry services were also planned by some societies. The Mathurai Society is running lorry services between Mathurai and Cumbum, Mathurai and Kodaikanal, Mathurai and Dindigul and Mathurai and Virudunagar. The Tirunelveli society is running regular lorry service in five important routes in the district. These services are reported to be popular. Lorries are being stationed by some of the societies outside the headquarters both to secure business for the lorries and to make available co-operative transport to the public in all parts of the district. Societies at Mathurai, Tanjore, Coimbatore and Vellore are having small workshops. The Tanjore Society has undertaken the repairing of vehicles of local bodies, co-operative societies and private individuals. The South Arcot District Co-operative Society has a battery charging section and a vulcanizing section. The societies at Kozhikode and Coimbatore are having consumers' petrol pumps in their premises.

During the year, the societies attempted and succeeded in getting extensive routes for their lorries. Special mention has to be made about the Tirunelveli Society getting route permits in the Travancore State and the Mathurai Society getting the route permit

for two of its lorries on the Kodaikanal Ghat Road for which the Kodaikanal Motor Union alone was having monopoly till recently.

Servicing of vehicles is attended to systematically by the societies. The mechanics are deputed from time to time for training in the training classes conducted by Messrs. Ford & Co. The Field Services Organiser of Messrs. George Oakes visits these societies, inspects the vehicles and gives practical demonstration of the methods of proper maintenance of vehicles.

The societies are not only resettling ex-servicemen but also providing a quick and reliable goods transport service. The Malabar Society undertook the contract work for the transport of timber, which was entrusted by the Forest department, and the transport of oranges from the Coorg Orange Growers' Co-operative Society. The Visakhapatnam Society took up the contract work for the transport of materials in connexion with the Muchkhand Hydro-Electrical Scheme. It supplied lorries to the Prohibition Department for carrying prohibition raiders from place to place in the district and to the Protector of Emigrants for conveyance of displaced persons from Visakhapatnam port to various places. It also undertook the conveyance of air mails from Visakhapatnam Air Port to the Town Post Offices.

An Automobile Expert to assist the Registrar in supervising and guiding the activities of co-operative motor transport societies on technical matters was appointed. His cost is being met from the Chief Agency Commission obtained on the insurance of the vehicles of all the societies.

The societies had and still have their difficulties and problems. In order to take stock of the position and concert measures for solving them, a small business conference of the secretaries and managers of the societies was convened during the year. The Hon'ble Minister for Food and Resettlement inaugurated it. Subjects of common interest and important problems relating to administration, business, establishment and finance were discussed in all their aspects and decisions were arrived at.

His Excellency the Governor of Madras, the Director-General of Resettlement and Employment, New Delhi, the Premier of the Cochin State and the Deputy Director of Resettlement and Employment, Bengal, visited the Madras Co-operative Motor Transport Society. His Excellency the Governor of Madras (Sir Archibald Nye) visited the Societies at Guntur, Cuddalore and Kozhikode.

5. *The Madras Co-operative Radio Sales and Service Society* had 23 ex-servicemen as members with a paid up share capital of Rs. 1,500 at the end of the co-operative year. It worked at a loss of Rs. 1,653. As it did not receive much support and sympathy from the public, admission was thrown open to civilians as well. Thus it was converted into a society of consumers, wishing to purchase radios or having them serviced. Nevertheless, the prospects of its revival were meagre. The members have since applied for the voluntary liquidation of the society.

6. *Training of ex-servicemen in Physical Training Instructors' Course.*—In order to enable the ex-servicemen to find suitable employment, it was proposed to give them training in different professional courses conducted by the Provincial Government. A scheme for giving three months training to 40 demobilized physical Training Instructors in Y.M.C.A. College of Physical Education, Saidapet, so as to enable them to be absorbed as Physical Training Instructors in educational institutions under the control of Government and local bodies was approved by Government. The cost of training amounting to Rs. 15,000 was generously met by the Committee for the administration of the Post-War Services Reconstruction Fund. The trainees were provided with free boarding and lodging and were exempted from payment of admission fees, tuition fees, excursion fees, examination fees and other miscellaneous expenditure connected with the training course. The training course commenced in the first week of May 1949. The trainees have since completed their training successfully. Seventeen of the 40 trainees were placed in the higher grade and 23 in the lower grade.

7. *Co-operative Motor Transport Societies for Civilians.*—The example of motor transport societies for ex-servicemen gave rise to a demand for such societies among civilians. There are two such societies, one at Anantapur and the other at Kurnool. The Anantapur District Co-operative Motor Transport Society had on 30th June 1949, 110 workers as members and nine sympathisers with a paid-up share capital of Rs. 29,570. It purchased four vehicles. The total hire charges earned during the year amounted to Rs. 27,774. It was able to absorb only 15 of its members as employees. It worked at a loss of Rs. 3,145. The society could not get remunerative routes. It was not able to put all the vehicles on the road for a greater part of the year either for want of petrol or for want of route permits. It had to suspend its work due to heavy loss. The question of liquidation of the society is under consideration.

The Kurnool District Co-operative Motor Transport Society commenced business on the 1st June 1949. There were 41 members with a paid-up share capital of Rs. 15,800. The society is having only one bus. It earned Rs. 3,944 under hire charges. It worked at a profit of Rs. 1,157. The future of the society remains to be seen.

CHAPTER XI.

Prohibition—Amelioration.

1. *General.*—On the 2nd Of October 1948, the day of Mahatma Gandhi's eightieth birthday, Pohibition was extended to the remaining nine districts in the Province (Madras, Chingleput, South Arcot, Ramnad, Tirunelveli, West Godavari, East Godavari, Krishna and Visakhapatnam) and the whole of Madras Province became 'dry'.

2. *Scope of Ameliorative Work.*—While enforcement of Prohibition is its negative side, amelioration is its positive aspect. For long, a good part of the ameliorative activities was devoted to the promotion of counter-attractions to drink in the form of recreation and entertainments; but, with the transfer of the ameliorative work to the Co-operative Department, its scope was widened and more emphasis was laid on its constructive side than on recreational activities. At the Conference of the Special Development Officers and the Deputy Registrars held in March 1949, it was resolved that ameliorative work should comprise the following items :—

(i) Provision of employment to the ex-toddy tappers —

(*a*) through jaggery manufacturing co-operative societies,

(*b*) through other co-operative societies, and

(*c*) through modes other than the co-operative.

(ii) Formation of co-operatives for the general public including the ex-addicts.

(iii) Development of co-operatives in select firkas.

(iv) Promotion of rural uplift—

(*a*) through gramasanghams, and

(*b*) through rural co-operative credit societies.

(v) Reorganization of rural credit societies into multi-purpose Societies.

(vi) Provision of counter-attractions to drink.

(vii) Promotion of thrift.

(viii) Propaganda.

(ix) Promotion of Harijan Welfare.

3. *Progress of ameliorative work*—(i) *Rehabilitation of ex-toddy tappers.*—When prohibition was extended to nine districts in October 1948, 84,320 ex-tappers were thrown out of work. To provide them with alternative employment, Government permitted the tapping of palmyra trees for sweet juice for the manufacture of jaggery in all these districts. In addition, they permitted the tapping of cocoanut trees in the Madras City, the tapping of date trees in the Guntur district and the tapping of sago trees in the Ponnani and Kozhikode taluks of the Malabar district for sweet juice for manufacturing jaggery. Tapping of sago trees has since been extended to two other taluks in the Malabar district. The concession granted by Government to tap sweet juice for jaggery manufacture has, on the whole, worked well. Cases of abuse of the concession were few. Only 629 out of 76,242 licensees were convicted during the year for misuse of licences.

Among the new nine Prohibition districts, the problem of unemployment among ex-tappers was acute in the districts of Tirunelveli, Ramnad, West Godavari and Madras. In the rest, they adjusted themselves to the changed conditions and found work as agricultural, industrial or other workers. In Tirunelveli, Ramnad, West Godavari and Madras, special measures were taken to speed up the formation of jaggery societies and to issue licences for tapping sweet toddy for jaggery manufacture. To facilitate the quick issue of licences to ex-toddy tappers, the Board of Revenue (Excise) instructed the Collectors to the effect that the recommendation of panchayatdars of jaggery manufacturing co-operative societies might be accepted instead of that of village headmen. Government have since amended rule 2 of the Madras Sweet Toddy Rules restricting the issue of licences for the drawing of sweet toddy to members of jaggery manufacturing Co-operative societies. Government permitted the sale of sweet toddy for personal consumption in the Tirunelveli district and in the three taluks of Ramnad, Muthukulathur and Srivilliputhur in the Ramnad district in view of the special conditions which obtained there. With the formation of jaggery societies, the bulk of the ex-tappers in the districts of Tirunelveli, Ramnad and West Godavari found an alternative occupation suited to them and unemployment was relieved considerably.

In the City of Madras, the ex-toddy tappers could not take to agricultural labour and their case presented special difficulties. The Madras City Prohibition Committee, with the Mayor of Madras as its Chairman, attempted to give relief to them. It arranged for the distribution of rice rations to about 2,000 of them at half the cost for a fortnight. The expenditure in this behalf amounting to Rs. 5,907, was borne by the Madras Corporation, Government contributing a sum of Rs. 1,250 being the unspent balance of the subsidy sanctioned by them for running refreshment stalls for ex-addicts in the City. Two jaggery societies and four milk supply societies were formed with ex-toddy tappers. They were also assisted to secure employment as unskilled labourers, peons, watchmen, etc., in private and Government establishments. In this way, 986 ex-tappers were provided with work. They were also advised to register themselves with the Employment Exchange at Madras and nearly 2,690 of them did so. They were however generally reluctant to take to manual labour.

Steps were taken to provide work to ex-toddy tappers through other modes than co-operatives. The Chief Engineer (Highways) instructed his subordinate officers to appoint ex-tappers as gang coolies. Up to 30th June 1949 out of [illegible] ex-tappers who were directed by the Special Development Officers to the Public Works Department Supervisors for appointment as gang coolies, 569 were appointed. The Commissioner of Civil Supplies issued instructions to Collectors to the effect that preference might be given to ex-tappers offering themselves for employment whenever fresh appointments were made as peons, chowkidars, etc. Big co-operative institutions like the T.U.C.S., the Madras House Construction Society, the Madras Handloom Weavers' Provincial Co-operative Society, etc., were also requested

to employ ex-tappers in some work or other. About 36,445 ex-tappers were thus employed in modes other than co-operative societies up to the end of June 1949 as agricultural and industrial labourers, peons, coolies, etc.

(a) *Jaggery manufacturing co-operative societies.*—There were 470 jaggery manufacturing co-operative societies in existence at the beginning of the year, of which 437 were for palmyra jaggery, 31 for cocoanut and 2 for date. During the year, 1,002 societies were organized, 970 for palmyra, 11 for cocoanut, 19 for date and 2 for sago jaggery manufacture. The number of societies registered at the end of the year was 1,488 of which 1,435 were for palmyra, 34 for cocoanut, 18 for date and 1 for sago. One thousand, four hundred and fifty-five societies started work before the end of the year. The number of members at the beginning of the year was 37,530 of whom 37,058 were ex-tappers and 472 were others. Fifty-two thousand, nine hundred and seventy-seven ex-tappers and 10,251 others were admitted and 1,244 ex-tappers removed from membership during the year. Thus, there were at the end of the year, 99,514 members of whom 88,791 were ex-tappers and 10,723 were others. About 54·3 per cent of the tappers thrown out of employment in the Province have been provided with employment through jaggery societies.

The paid-up share capital in all the jaggery manufacturing societies amounted to Rs. 3·62 lakhs at the end of the year as against Rs. 2·14 lakhs at the beginning of the year. The number of licences issued under the Madras Sweet Toddy Rules for the tapping of palm trees were 76,242 of which 71,857 were for palmyra, 4,073 for cocoanut, 170 for date and 142 for sago trees tapping. Apart from this, 4,387 permits in the Tirunelveli district and 2,242 permits in the Ramnad district were issued for the sale of sweet juice for personal consumption. The quantity and value of jaggery produced by the jaggery manufacturing co-operative societies during the year are furnished below :—

Jaggery produced.	Palmyra in lakhs.	Cocoanut in lakhs.	Date in lakhs.	Sago in lakhs.	Total in lakhs.
1. Quantity in maunds ..	23·164	1·700	0·006	0·047	24·917
2. Value in rupees ..	115·492	11·323	0·063	0·218	127·096

Loans to members to the extent of Rs. 92,577 and Rs. 47,856 were issued and collected respectively during the year leaving an outstanding of Rs. 80,400 at the end of the year. The experiment of pooling sweet juice drawn from palm trees at a central place and converting it into jaggery was tried in Salem, Chittoor, Nellore and Guntur. This was introduced in seven select societies in these districts with 177 members participating in it. The value of jaggery produced in this way was about Rs. 13,000. The experiment did not, however, meet with appreciable success as the members were not generally in favour of such joint production.

For organizing and supervising jaggery manufacturing societies, Government sanctioned free of cost, a special staff of one Senior Inspector of Co-operative Societies and one peon for every six societies in the districts of Malabar and South Kanara, for every 10 societies in the Tiruchendur and Nanguneri taluks in the Tirunelveli district and for every 15 societies in the remaining taluks of Tirunelveli and other districts. In all, 78 Senior Inspectors and 78 peons were sanctioned up to the end of the year for the organization and supervision of jaggery manufacturing co-operative societies. The Provincial Palm Gur Organizer assisted the members of jaggery manufacturing co-operative societies in the manufacture of jaggery on improved lines. Since the close of the year, Government have sanctioned a scheme for the development of the palm gur industry in the Province. The scheme provides for training 25 Palm Gur Instructors who, in their turn, will train 1,000 ex-tappers in improved methods of producing jaggery. The total cost involved in the scheme is Rs. 1·23 lakhs under recurring and Rs. 1,625 under non-recurring expenditure.

(b) *Milk-supply societies.*—Under the ameliorative programme, there were 171 milk supply societies and nine milk-supply unions at the end of June 1949 against 77 societies and three unions at the end of the previous year. One thousand nine hundred and forty-seven ex-tappers, 869 ex-addicts and 6,619 others were members of these societies with a paid-up share capital of Rs. 1·48 lakhs of which a sum of Rs. 52,504 was contributed by the ex-tapper members alone. Fifty-three societies organized for the benefit of the ex-tappers were pending registration at the end of the year. The milk-supply societies produced 12·84 lakhs of Madras Measures of milk valued at Rs. 9·76 lakhs and sold 12·80 lakhs of Madras Measures of milk valued at Rs. 11·23 lakhs. Interest-free Government loans to the extent of Rs. 5·32 lakhs were sanctioned to these milk-supply societies for the purchase of milch animals. With this amount, 2,813 milch animals were purchased by the members of these societies. A total subsidy of Rs. 30,900 was sanctioned to 54 milk-supply societies to meet their working expenses at the rate of Rs. 100 per month for a period of six months for each society. A subsidy of Rs. 3,350 was sanctioned towards the cost of equipment. Milk-supply unions were organized at Anantapur and Hindupur in the Anantapur district, at Adoni in the Bellary district, Madanapalle in the Chittoor district, Eluru in the West Godavari district, Periyakulam in the Mathurai district and Anakapalle in the Visakhapatnam district. Of these, the Milk-supply Unions at Anantapur, Hindupur, Eluru and Anakapalle did not commence business by the end of the year. The other milk-supply unions had a membership of 567 individuals and 61 feeder societies with a paid-up share capital of Rs. 32,520. They sold milk valued at Rs. 4·94 lakhs. The value of by-products sold was Rs. 5,568. A special staff of 12 Senior Inspectors, and two Junior Inspectors was sanctioned for the supervision of the milk-supply unions and societies. Government extended the concession of interest-free

Government loans for the purchase of milch animals to the members of jaggery manufacturing c-operative societies in the districts, where special staff for their supervision was sanctioned. Twenty-three members of four jaggery manufacturing co-operative societies in the districts of Guntur, Coimbatore, and Salem were sanctioned loans to the extent of Rs. 4,300 of which Rs. 4,200 were disbursed to them up to the end of the year. In the Malabar district, five jaggery societies, which undertook dairying, were each sanctioned a subsidy of Rs. 50 per month for a period of six months to meet the working expenses. Interest-free Government loans to the extent of Rs. 24,000 were sanctioned to the members of four of these jaggery societies for the purchase of milch animals. The societies are affiliated to the Palghat Milk-supply Union formed during the year.

(c) *Land Colonization Co-operative Societies.*—There are four land colonization co-operative societies, in the Salem district, the admission to which is now restricted to ex-tappers. Four hundred and seven ex-tappers, 39 Harijans and 70 others are members of these societies, with a paid-up share capital of Rs. 2,976. Of the total extent of 2,293 acres of land assigned to these societies, an extent of 1,251 acres of land was brought under cultivation. The members were sanctioned a free grant of Rs. 4,958 for the purchase of agricultural implements and bulls and Rs. 30,000 for sinking 40 wells. The possibilities of organizing land colonization co-operative societies in suitable areas in the districts on the lines of land colonization co-operative societies sanctioned for landless labourers were investigated. The following proposals were sanctioned by Government during the year :—

Name of place and district.	Extent of land proposed to be colonised.	Number of persons who will be benefited.
	ACS.	
1 Kuvettu (South Kanara) ..	467·68	58
2 Avarampatti (Tanjore) ..	189·20	75
3 Seruvaviduthi („) ..	507·05	127

The following are under the consideration of Government :—

1 Doddaghatta (Anantapur) ..	288·80	70
2 Naduvakottai (Tanjore) ..	166·18	42

(d) *Other types of societies.*—On 30th June 1949, there were eight cottage industrial societies, 18 tenants' societies, one labour contract society and one other type of society formed for the benefit of ex-tappers.

The cottage industrial co-operative societies had a membership of 383 with a share capital of Rs. 11,290. They produced and sold goods valued at Rs. 73,393 and Rs. 86,946, respectively. They had a stock on hand valued at Rs. 6,613. The Pile Carpet Weavers' Co-operative Society at Ayodhyapatnam in the Salem district had 78 ex-tappers as its members with a paid-up share capital of Rs. 10,400 at the end of the year. The society has constructed a factory at a cost of Rs. 12,690 for the manufacture of carpets with the help of a subsidy of Rs. 5,000 and a loan of Rs. 5,000 sanctioned by Government. The finished goods are being marketed through the Victoria Technical Institute, Madras and the emporia of the Provincial Weavers Co-operative Society. A Senior Inspector whose services are lent to the society free of cost by Government, is assisting the society. During the year, it produced goods valued at Rs. 9,480 and sold goods worth Rs. 8,738. The admission of members into this society has since been thrown open to persons other than ex-tappers. Government approved a scheme for starting production-cum-training co-operative societies for coir making in three centres, viz., Marudhayur, Yengandiyur and Vadanapalli in the Malabar district and sanctioned a subsidy of Rs. 6,600 to each society. The societies have been registered since the close of the year. The cottage industrial co-operative society at Melshanankuppam in the North Arcot district admitted twelve ex-tappers as members. It was sanctioned a subsidy of Rs. 100 per month for a period of one year to meet its working expenses. The society produced and sold goods valued at Rs. 76 and Rs. 150, respectively. Government sanctioned a sum of Rs. 4,732-8-0 for conducting demonstration in handspinning for the benefit of ex-tappers and ex-addicts in five centres in the Madras City. The demonstration was conducted at two of the centres, viz., Robertsonpet and Tiruvanmiyur. The third centre at Tiruvottiyur commenced functioning since the close of the year. It is proposed to admit those who have attained proficiency in handspinning as members of the Khadi Development Co-operative Society, Madras, so that they may pursue the industry.

The Labour Contract Co-operative Society at Bukkapatnam in the Anantapur district had 67 ex-tappers on its rolls as members with a share capital of Rs. 2,511. The society obtained contracts for Rs. 62,120 and completed works for Rs. 39,024. It earned a net income of Rs. 2,600.

During the year, five tenants' societies were registered in the Guntur district and started on work. In the Krishna district eleven societies were organized and started. Four hundred and thirty-two ex-tappers joined them as members. In the East Godavari district, two tenants' co-operative societies were formed. The allotment of lands to them is under the consideration of the Revenue Department.

(ii) *Formation of co-operatives for the general public including ex-addicts*—(a) *Cottage Industrial Societies*.—Twenty-one cottage industrial societies and 36 other types of societies were formed for the benefit of ex-addicts and others. In Gooty, in the Anantapur district, a proposal for the formation of a society for palmyra products was approved and Government sanctioned it a subsidy of Rs. 4,300. A proposal to run a poultry farm on co-operative basis in Gooty in the Anantapur district is pending final sanction with Government. In Vellore, the basket makers' society continued to do good business during the year. It produced goods worth Rs. 19,928 and sold goods to the value of Rs. 15,524. Government sanctioned the services of a Junior Inspector free of cost to develop the activities of the society. The

cart-makers' society formed at Bojjaipalli in the Cuddapah district commenced business during August 1948 with a membership of 21 and a share capital of Rs. 2,100. It manufactured 41 pairs of cart-wheels to the value of Rs. 10,753 and sold 39 pairs of cart-wheels to the value of Rs. 11,380. It continued to have the free services of a Senior Inspector throughout the year. Four leather goods manufacturers' co-operative societies were formed at Rajampet and Pottaladurthy in the Cuddapah district, and at Kurnool and Anumulapalli in the Kurnool district. The Nabikot Brick Manufacturers' Co-operative Society in Cuddapah district, the Kalingian Mat Weavers' Co-operative Society in the Coimbatore district, the Peddapadu Labour Contract Society in the Kurnool district formed for the benefit of the ex-addicts were sanctioned financial assistance by Government to the extent of Rs. 1,770 to meet their working expenses.

(b) *Cattle-breeding societies*.—During the year cattle-breeding societies were organized by the ameliorative staff in nine centres in the districts of North Arcot, Anantapur, Chittoor, Tanjore, South Kanara, Mathurai and Guntur. Government sanctioned three schemes for the formation of cattle-breeding societies at Odugathur in the North Arcot district, Chintaparthi in the Chittoor district and Vada Mathurai in the Mathurai district. These societies were sanctioned a total non-recurring subsidy of Rs. 10,650 to meet 50 per cent of the cost of bulls, and a recurring subsidy of Rs. 8,680 per annum for a period of three years, to meet their working expenses. Similar schemes for the formation of cattle-breeding societies at Kurli in the Anantapur district, Kannivadi in the Mathurai district, Narasaraopet in the Guntur district, and Kalasapakam in the North Arcot district were submitted to Government and were awaiting sanction. Proposals for the formation of cattle-breeding societies at Perdala in the South Kanara district and at Mannargudi in the Tanjore district are under consideration.

(c) *Fishermen Co-operative Societies in the East Coast*.—The staff of three Junior Inspectors, sanctioned for the organization and supervision of fishermen co-operative societies in the districts of Madras, Tirunelveli and East Godavari are working under the Special Development Officers concerned. In Madras, three fishermen co-operative societies were organized and started during the year bringing the total number to five. They issued small loans to fishermen and undertook recreational work. In the East Gadavari district, three societies were organized bringing the total number to fourteen. In the Tirunelveli district, 27 societies were organized for fishermen and they were pending registration at the end of the year.

(iii) *Development of co-operatives in the select firkas and centres*—(a) *General*.—The headquarters of one of the Rural Welfare Officers in each district was ordered to be shifted to the headquarters of each select firka. The propaganda van was allotted for tour in the select firkas for a week in each month for doing propaganda. The co-operative subordinate staff were employed as Instructors for the training classes for the Grama Sevaks conducted at the Vidyalayams at Kallupatti and Gopannapalem. Besides, the Special Development Officers gave occasional lectures at the training classes. Government have since ordered that the Senior Inspectors in charge of the firkas might take classes on two days in the week at Kallupatti and Gopannapalem. Special steps were taken to cover the villages in the select firkas and centres with co-operative societies. One hundred and thirty-eight societies were organized raising the number of villages served by the co-operative societies from 634 to 978, out of a total of 1,479 villages by the end of June 1949. Since the close of the year, the number of villages covered by the co-operative societies has increased to 1,258. In 14 out of 34 firkas, all the villages are served by co-operatives. Besides credit societies, special types of co-operative societies such as milk-supply societies, weavers' societies, cottage industrial societies, house-site societies for Harijans and health co-operatives were also organized. In Kadampuliyur firka in the South Arcot district a cashewnut marketing co-operative society was organized. Attention was also paid to strengthen and develop existing societies on multi-purpose lines.

(b) *Multi-purpose co-operative societies in the select firkas.*—Government ordered the formation of multi-purpose co-operative societies in three of the select firkas, viz., Dendalur in the West Godavari district, Tirumangalam in the Mathurai district and Kumbla in the South Kanara district. A special staff of one Senior Inspector and one peon were sanctioned to work in the Dendalur and Tirumangalam firkas. The following is the progress made in these three firkas :—

In the Tirumangalam firka, four credit societies were converted into multi-purpose societies and they adopted the special by-laws framed for the purpose. In these societies there were 732 members with a paid-up share capital of Rs. 13,863. The Kallupatti and Karaikeni Multi-purpose Societies purchased and distributed foodgrains and other articles worth Rs. 5,405 and Rs. 4,883, respectively. The value of stock on hand with these societies at the end of the year amounted to Rs. 1,004. The Karaikeni Multi-purpose Society has undertaken to construct a village hall-cum-godown. The Nallamaram Society took up the contract of repairs to the irrigation tank in the village at an estimated cost of Rs. 3,460. Since the close of the year, fifteen rural credit societies have converted themselves into multi-purpose societies.

In the Dendalur firka, seven multi-purpose societies were organized during the year. All the fourteen credit societies in the firka proposed *en bloc* amendments to their by-laws for getting themselves converted into multi-purpose societies. Of the seven multi-purpose societies organized, the registration of three was permitted. The conversion of 13 out of the 14 existing credit societies into multi-purpose societies was also permitted. Seven of the multi-purpose societies have undertaken extra credit activities, such as the distribution of foodgrains and other controlled commodities. They sold goods to the value of Rs. 15,142. The Dendalur multi-purpose society has been manufacturing and selling cocoanut oil for the benefit of its members.

It was not possible to organize any multi-purpose societies in the Kumbla firka or to convert any existing credit society into a multi-purpose society as the people were opposed to the formation of multi-purpose societies on unlimited liability basis. No special staff was sanctioned to this firka.

(iv) *Promotion of Rural Uplift*—(a) *Through Gramasanghams.*—At the beginning of the year, there were 10,861 gramasanghams. During the year, 1,788 were organized bringing the total number to 12,649 on 30th June 1949. Of these, 5,209 gramasanghams were active in undertaking village uplift activities, like sanitation, construction of roads and conduct of adult schools, reading circles, libraries, etc. Three thousand, one hundred and seventy gramasanghams provided counter-attractions to drink by organizing entertainments and rural games. Government sanctioned grants to gramasanghams to the extent of Rs. 26,200 for 262 libraries maintained by them at the rate of Rs. 100 per library. Proposals were received for the construction of community centres from 20 grama sanghams at a total cost of Rs. 1·56 lakhs. Nine of them were recommended to Government for sanction of a total subsidy of Rs. 15,000. A total sum of Rs. 3,000 was sanctioned by Government to two gramasanghams in the districts of Chittoor (Rs. 2,000) and South Kanara (Rs. 1,000). The general question of granting subsidies to gramasanghams to the extent of 50 per cent of the estimated cost of the construction of a community centre is under the consideration of Government. The gramasanghams are now registered under the Societies Registration Act of 1860, for which purpose Government have been pleased to reduce the registration fee from Rs. 50 to Rs. 5. I have prescribed model rules in consultation with the Inspector-General of Registration for adoption by grama sanghams which seek registration.

(b) *Through Rural Uplift Schools.*—Rural uplift schools were conducted in the 16 old prohibition districts. These schools were however abolished with effect from December 1948.

(c) *Through rural credit societies.*—To enable the rural credit societies to undertake social and recreational activities, I prescribed suitable by-laws for adoption. During the year, 822 rural credit societies adopted these by-laws and 242 of them undertook recreational work, such as the conduct of games, bhajanas and tournaments, the formation of reading circles, the construction of community centres, etc. Fifty-seven societies opened reading rooms, 58 opened libraries, and 19 installed radio sets during the year. Sixteen societies proposed to construct godown-*cum*-village halls at a total cost of Rs. 1·34 lakhs. In eight cases, the proposals were recommended to Government for sanction of a total subsidy of Rs. 22,800. A sum of Rs. 2,500 was sanctioned by Government as subsidy to two credit societies. The general question of granting subsidies to rural credit societies to the extent of 50 per cent of the estimated cost of construction of godown-*cum*-village halls is under the consideration of Government.

(v) ***Reorganization of rural credit societies and expansion of their activities.***—The scheme for the reorganization of rural credit societies sanctioned in G.O. No. 5613, Development, dated 12th November 1948 was introduced on 1st February 1949 and by 30th May 1949, all the Central Banks had taken it up.

(a) *Increase in the number and transaction of rural credit societies.*—Since the introduction of the scheme, 787 rural credit societies were organized and the registration of 32 societies was cancelled. On 30th June 1949, there were 12,728 rural credit societies including those which had yet to be started and affiliated to Central Banks, covering 17,020 villages. The percentage of villages served by rural credit societies and population served by them increased from 41·4 and 13·88 on the date of introduction of the scheme to 45·17 and 14·8 respectively by the end of the year. The progress made in the membership, share capital and business of the rural credit societies during the period is shown below :—

	On the date of introduction of the scheme. (in lakhs).	On 30th June 1949. (in lakhs).
Membership	7·64	8·22
Share Capital	Rs. 95·20	Rs. 106·81
Borrowings from Central Banks.	" 501·62	" 482·29
Others	" 38·62	" 45·18
Loans to members	" 515·16	" 559·08

The target of covering 50 per cent of the villages with co-operatives will be reached soon and I have impressed on the central banks that greater attention should be devoted to consolidate the working of the existing societies and to extend their membership and business.

(b) *Introduction of multi-purpose activities.*—During the period from 1st February to 30th June 1949, 2,571 societies undertook multi-purpose activities such as the supply of agricultural, industrial and domestic requirements of members, the marketing of their produce, the collection and sale of milk, the promotion of social and recreational activities, etc. They did business to the extent of Rs. 67·7 lakhs. Including the 148 additional supervisors employed by the central banks against the subsidy sanctioned by Government under the scheme, 614 supervisors were working in all the 30 central banks at the end of the year. While fair progress has been made in the working of the scheme, particularly in covering the villages with rural credit societies, there yet remains a good deal of work to be done to

make the rural credit societies really multi-purpose in character. The chief difficulty in the way is to find suitable Panchayatdars in the villages with necessary leisure and interest to undertake the additional work and responsibility involved. Group conferences of Deputy Registrars, Special Development Officers and Secretaries or Presidents of the Central Banks concerned were held at which the progress in the districts was reviewed and ways and means of accelerating the progress of the schemes were considered. Government have ordered recently that all village credit societies should be renamed as multi-purpose rural credit societies and also suggested that rural credit societies to be newly registered may adopt the special by-laws of multi-purpose societies if they choose.

(c) *Construction of godowns.*—In April 1949, Government agreed to sanction free grants to rural credit societies and marketing societies for the construction of godowns up to 50 per cent of the cost of construction and provided a sum of Rs. 5 lakhs per year from the financial year 1949–50 for the purpose of granting subsidies. One hundred and two credit societies and 22 sale societies have been selected for the purpose. Proposals have been received from them and they are in different stages. The total loans and free grants sanctioned to rural credit societies and sale societies during the year 1948–49 amounted to Rs. 43,500 and Rs. 34,974 respectively.

(vi) ***Provision of Counter-attraction to Drink***—(a) ***Substitutes for drink.***—For the new nine Prohibition districts, Government sanctioned a subsidy of Rs. 67,500 for opening 1,350 refreshment stalls at the rate of Rs. 50 per stall. Public subscriptions were also collected in many places for conducting these stalls and other expenses connected with the introduction of Prohibition. The refreshment stalls were run for a week from the inauguration of Prohibition on 2nd October 1948 and provided free substitute drinks like butter milk, panakams, etc., to those who were addicted to drink previously. The surpluses left out of local donations were remitted into the local district central banks under an account styled "District Amelioration Fund". These amounts are administered by the Executive Committees of the Central Banks in consultation with the Special Development Officers concerned on behalf of rural uplift activities in the districts. On 30th June 1949, there was a sum of Rs. 49,246 under the District Amelioration Fund in 16 central banks.

(b) *Recreational activities.*—During the year, 603 firka, 102 taluk, 10 district and 119 divisional tournaments were conducted. Not only did many villagers take part in these tournaments but hundreds of villagers gathered at these tournaments to witness them and cheer their own teams. They were occasions for laughter and merriment which villagers lack sorely. A different form of relaxation was provided in the form of harikathas, bhajanas, etc., of which 6,055 were conducted in villages. Public reading of epic lore provided an occasional elevation of the intellect in 1,784 villages.

(c) *Dramatic troupes.*—Government sanctioned a sum of Rs. 12,000 as subsidy during 1949–50 to dramatic troupes composed of ex-addicts or ex-tappers or other amateurs at the rate of Rs. 25 per performance, each troupe being required ordinarily to give 10 or 12 performances in different villages. These performances provided a much needed entertainment to relieve the boredom of rural life and particularly to distract the minds of ex-addicts from memories of drink during evening hours. They also drew forth much histrionic ability and revived local folk dances. During the year, subsidies were given to the extent of Rs. 11,125 for staging 2,018 dramatic performances.

(d) *Installation of Radio Sets.*—On the abolition of the late Publicity department, Government ordered 31 radio sets belonging to that department to be installed in 14 of the old Prohibition districts. Up to 30th June 1949, 17 sets were installed. Since the close of the year, 10 more sets have been installed, thus bringing the total number of sets to 27. I have submitted proposals to Government for the maintenance of 87 radio receiving sets at Government cost during the first year and to treat the gramasanghams and co-operative societies on a par with the panchayat boards in the matter of maintenance of the sets installed by them from the second year onwards.

(e) *Exhibition of Films, Magic Lantern Slides, etc.*—(i) *Films.*—Government had provided each of the 16 old Prohibition districts with a propaganda van equipped with cine-projectors, magic lanterns, microphones and gramophones. They were made use of for providing counter-attractions to drink. The performances they gave, no doubt, entertained all villagers; but their special function was to engage the attention of ex-addicts, during the evening hours when their craving for drink would revive. During the year, Government ordered the transfer of the propaganda van with the District Health Officer, Tirunelveli, to the Special Development Officer, Tirunelveli, and they sanctioned a staff of one driver and one cleaner for the van. The question of supplying propaganda vans to the remaining districts is under the consideration of Government. Twenty Tamil copies and three Malayalam copies of a film on the "Inauguration of Prohibition" in the Malabar district in 1947 produced by the Pakshiraja Studios, Coimbatore, was purchased at a cost of Rs. 1,500. They were distributed to the propaganda vans. Six more silent films of 16 m.m. size were purchased during the year for the cine-projector of this size available with this department. In addition, 53 films from the British Information Service were obtained free of cost and shown in the districts during the year. Recently, the Government of India by arrangement with the Government of Madras have agreed to supply me free of cost one copy each of the documentary and news release in Tamil and Telugu of 35 m.m. size and one copy in Tamil of 16 m.m. size produced by them. So far, 41 films have been received. Since the close of the year, Government have sanctioned my proposal to produce a film on Prohibition in Madras Province at a cost of Rs. 10,500.

(ii) *Magic lantern slides.*—The photographer attached to this department took snaps of important events connected with Prohibition and Co-operation. Most of these have been published in the "Madras Information." He has also prepared two sets of 79 slides and these are now in circulation in the districts.

(iii) *Gramophone records.*—Government sanctioned the recording of songs on Prohibition in Telugu, Tamil and Kannada languages and the purchase of 200 records in each language at a total cost of Rs. 2,300 for distribution to the ditsricts. The songs in Telugu and Kannada were recorded and the records have been sent to the districts for being played on the gramophones attached to the propaganda vans and in the restaurants and cinema houses.

(vii) *Promotion of thrift.*—During the year, 2,230 rural credit societies were selected for the introduction of the thrift scheme. Of these, 1,726 societies distributed about 20,000 hundi boxes to their members. A sum of Rs. 2·13 lakhs was accumulated as savings through hundi boxes during the year. Besides this, a sum of Rs. 1·16 lakhs was saved through savings deposits. About 290 non-credit societies like weavers' societies, cottage industrial societies and urban banks distributed about 6,000 hundi boxes and effected savings to the extent of Rs. 56,000. Besides this, they collected a sum of Rs. 8·6 lakhs as thrift deposits. One thousand two hundred and eighty-six co-operative societies celebrated thrift days during the year. National Savings Certificates to the value of Rs. 23 lakhs was purchased during the year by co-operative societies.

(viii) *Publicity and propaganda.*—Pamphlets containing songs, dialogues and articles on Prohibition were printed in English and in regional languages and distributed to the districts. Two hundred copies of (1) *Kal Ozhiga* written by Sri C. Rajagopalachariar (now His Excellency the Governor-General) and (ii) *Banker Vinayaka Rao* were purchased at a total cost of Rs. 500 and distributed to the ameliorative staff for propaganda purposes. The "Villagers' Guide and Calendar" was supplied to each of the Rural Welfare Officers and "Rural India" to the Collectors, Special Development Officers and Assistant Development Officers.

(ix) *Harijan welfare.*—The ameliorative staff participated in the Harijan Day celebrations in the districts with their propaganda vans. Special types of co-operative societies for the social and economic improvement of Harijans were organized wherever possible. Twenty-six house-site societies were organized for them, and I have requested Government to permit the Special Land Acquisition Officer working under me to attend to the acquisition of sites for Harijans also free of cost so as to expedite acquisition work. At Vellaravalli in the Salem district, a Carpet weavers' society was organized for Harijans and financial assistance to it has been recommended to Government.

4. *Uplift of women.*—The ameliorative staff contacted organizations for women already established in the districts with a view to enlist the aid of womenfolk of the ex-addicts in the villages

in the cause of Prohibition and to help them in making their homes happy with the money saved on account of Prohibition. The propaganda vans were made available to the branch leaders of the Women Welfare department in the districts. In certain districts, gramasanghams took particular interest in women and their well-being. In the Anantapur district, a cottage industrial co-operative society was organized for the women of Tadpatri to encourage embroidery work, lace work and hand-spinning among them.

5. *Conferences.*—The Second All-India Conference of Social Work was held at Madras in December 1948. Dr. S. Gurubatham, then Minister for Prohibition and Firka Development, read a paper on "Prohibition and Social Welfare". Government deputed Sri A. Palaniappa Mudaliyar, Deputy Commissioner of Prohibition (Amelioration) and Joint Registrar of Co-operative Societies, as a delegate to the conference.

IMPERIAL STATEMENTS.

STATEMENT A.—*Operations of Provincial and Central Banks*, 1948–49.

Names of Banks. (1)	Number of Banks. (2)	Number of members. Individuals. (3)	Number of members. Societies. (4)	Number of affiliated societies holding shares in the Banks. Central Banks. (5)	Agricultural societies. (6)	Non-agricultural societies. (7)	Others. (8)	Loans made during the year 1948–49 to Individuals. (9) LONG TERM. RS.	(9) SHORT TERM. RS.	Banks and societies. (10) LONG TERM. RS.	(10) SHORT TERM. RS.	Receipts from loans repaid during the year 1948–49 by Individuals. (11) LONG TERM. RS.	(11) SHORT TERM. RS.
Madras Provincial Co-operative Bank.	1	167	32	32	..	..	..	..	21,75,294	13,56,020	7,38,89,857	..	19,59,634
Previous year ..	1	167	32	32	..	..	..	..	14,26,232	12,00,366	4,27,04,733	..	17,47,198
Madras Central Land Mortgage Bank.	1	505	119	..	119	..	..	5,901	..	77,72,770	..	4,650	..
Previous year ..	1	505	120	..	120	..	120	3,021	..	61,55,185	..	2,659	..
Central Banks ..	31	4,161	16,308	..	11,506	1,357	3,445	6,94,462	28,21,205	1,27,20,509	46,16,41,473	6,78,514	26,37,506
Previous year ..	30	4,122	15,317	..	10,826	1,366	3,125	8,82,223	28,01,377	1,,23,88,116	31,90,59,332	7,94,579	28,55,541

Names of Banks.	Receipts from loans repaid during the year 1948–49 by—*cont.* Banks and societies. (12) LONG TERM. RS.	(12) SHORT TERM. RS.	Loans due at the end of the year 1948–49 by Individuals. (13) LONG TERM. RS.	(13) SHORT TERM. RS.	Banks and societies. (14) LONG TERM. RS.	(14) SHORT TERM. RS.	Loans and deposits received during the year 1948–49 from Central Banks and Provincial Bank. (15) LONG TERM. RS.	(15) SHORT TERM. RS.	Primary societies. (16) LONG TERM. RS.	(16) SHORT TERM. RS.	Individuals and others. (17) LONG TERM. RS.	(17) SHORT TERM. RS.
Madras Provincial Co-operative Bank.	7,10,112	5,48,05,171	..	6,57,200	20,96,729	4,62,28,996	3,55,346	25,62,69,499	3,15,669	21,94,90,874	15,34,872	43,21,83,445
Previous year ..	2,80,010	4,72,91,409	..	4,41,540	14,50,821	2,21,77,110	7,67,464	14,63,69,454	3,641	11,57,25,270	12,38,342	24,86,46,484
Madras Central Land Mortgage Bank.	31,11,525	..	2,841	..	3,45,71,745	..	..	10,00,000	1,44,880	..	90,07,250	86,12,723
Previous year ..	27,54,777	..	1,589	..	2,99,10,500	..	..	..	1,77,717	..	50,08,250	80,54,200
Central Banks ..	93,46,907	43,33,56,588	5,05,363	11,17,031	2,44,40,019	10,52,53,126	13,00,000	22,94,51,645	32,17,646	28,01,81,013	83,58,075	25,48,50,836
Previous year ..	76,28,459	32,05,39,646	4,89,414	9,31,983	2,08,90,032	7,64,44,400	11,70,000	14,56,95,424	20,94,965	18,04,57,457	79,39,244	17,99,62,734

STATEMENT A.—*Operations of Provincial and Central Banks*. 1948–49—cont.

Names of Banks.	Sale of goods to members. (18)	Purchase of members. products. (19)	Cost of management including the amount towards suspense. (20)	Share capital. (21)	Loans and deposits held at the end of the year 1948–49 from: Provincial and Central Banks. (22) Long term.	(22) Short term.	Primary societies. (23) Long term.	(23) Short term.	Government. (24)	Individuals. (25) Long term.	(25) Short term.
			RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Madras Provincial Co-operative Bank.	..	..	2,87,048	14,64,200	51,49,411	50,76,393	4,40,505	73,88,141	1,90,00,000	30,08,197	3,86,70,064
Previous year ..	..	..	2,68,520	8,98,900	48,13,797	45,72,001	1,10,104	87,14,630	1,00,00,000	16,82,237	2,61,61,052
Madras Central Land Mortgage Bank.	..	..	3,03,829	12,37,700	..	..	8,22,182	..	5,00,000	4,21,31,154	..
Previous year ..	..	..	2,96,586	11,93,500	..	2,53,977	7,86,398	..	..	3,42,02,668	34,98,292
Central Banks ..	..	..	19,83,703	1,04,45,567	20,94,962	5,64,89,229	1,94,96,734	2,37,09,877	10,50,000	2,02,01,875	3,24,04,929
Previous year ..	..	..	13,05,668	91,85,594	14,40,481	3,38,05,724	1,79,26,273	2,15,11,017	..	1,87,44,686	3,02,82,736

Names of Banks.	Funds: Reserve fund. (26)	Other funds. (27)	Working capital. (28)	Profit and loss for the year: Book profit. (29)	Divisible profit. (30)	Net loss. (31)	Usual rate of dividend paid on shares. (32)	Most usual rate of interest: On borrowings. (33)	On lendings. (34)	Uncalled and subscribed share capital. (35)
	RS.	RS.	RS.	RS.	RS.	RS.	PER CENT.	PER CENT.	PER CENT.	RS.
Madras Provincial Co-operative Bank.	41,50,000	12,06,550	8,55,53,461	3,60,167	3,60,167	..	9	2	3	..
Previous year ..	35,00,000	13,61,921	6,18,14,642	4,61,321	4,61,321	..	9	2	3	..
Madras Central Land Mortgage Bank.	18,41,246	5,78,762	4,71,11,044	2,36,844	2,26,061	..	4	3	4½	..
Previous year ..	17,28,818	5,09,763	4,21,73,411	2,45,327	2,34,326	..	..	3	4½	..
Central Banks ..	52,08,926	33,53,998	17,44,56,097	20,84,755	16,67,964	..	5	3	4½	22,84,109
Previous year ..	[illegible]7,78,653	30,20,633	14,06,95,747	15,76,8[illegible]	[illegible]80,501	..	5	3	4½	20,13,547

STATEMENT B.—*Operations of Agricultural Societies*, 1948–49.

Class of societies. (1)	Number of societies. (2)	Number of members: Societies. (3)	Individuals. (3)	Loans made during the year to Individuals. (4) Short term.	(4) Long term.	Banks and societies. (5)	Receipts from loans repaid during the year by Individuals. (6) Short term.	(6) Long term.	Banks and societies. (7)
				RS.	RS.	RS.	RS.	RS.	
Class I. Credit—Limited—									
(a) Land Mortgage Banks ..	119	..	1,12,998	..	75,87,014	..	..	29,80,050	..
Others ..	130	..	21,600	9,77,215	2,31,661	..	9,51,385	1,46,638	..
(b) Unlimited ..	13,610	..	10,06,276	3,73,78,855	1,10,23,059	..	3,10,90,938	80,06,618	..
Class II. Purchase and Sale—									
(a) Limited ..	418	4,699	2,54,259	1,40,45,963	34,610	..	1,79,34,580	1,39,807	..
(b) Unlimited ..	..	..	..	..	..	..	..	..	..
Class IV. Production and Sale—									
(a) Limited ..	523	215	43,114	14,38,029	..	..	9,80,060	584	..
(b) Unlimited ..	2	..	144	14,950	..	..	10,891	..	..
Class VI. Others—									
(a) Limited ..	170	142	24,660	7,57,840	66,941	..	6,68,968	24,073	..
(b) Unlimited ..	537	..	55,458	2,31,426	1,40,525	..	1,28,172	32,998	..
Total ..	15,509	5,056	15,18,509	5,48,43,778	1,90,83,810	..	5,17,64,994	1,13,30,768	..
Total of previous year ..	13,634	4,737	12,84,378	5,35,01,857	1,74,58,857	..	4,09,09,983	95,38,370	..

Class of societies.	Loans due by Individuals. (8) Short term.	(8) Long term.	Of which overdue. (9) Short term.	(9) Long term.	Banks and societies. (10)	Loans and deposits received during the year from Individuals: Members. (11)	Non-members. (12)	Central banks. (13) Short term.	(13) Long term.
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Class I. Credit—Limited—									
(a) Land Mortgage Banks ..	..	3,48,92,851	..	84,319	..	4,500	3,541	..	73,47,486
Others ..	7,09,130	3,77,194	87,075	27,376	..	5,24,417	49,796	18,37,159	1,02,935
(b) Unlimited ..	3,92,48,473	2,55,77,108	67,94,854	52,76,539	..	22,04,055	44,87,960	3,64,34,460	97,46,025
Class II. Purchase and Sale—									
(a) Limited ..	93,89,678	62,743	8,17,898	62,743	..	8,81,760	2,45,245	4,26,35,501	55,369
(b) Unlimited ..	..	..	..	..	..	..	..	..	..
Class IV. Production and Sale—									
(a) Limited ..	9,05,902	9,482	1,19,122	699	..	16,391	10,971	3,88,283	48,372
(b) Unlimited ..	24,542	..	11,982	..	..	..	..	16,280	..
Class VI. Others—									
(a) Limited ..	5,91,644	1,71,485	1,95,965	59,080	..	13,823	8,151	9,71,488	..
(b) Unlimited ..	3,08,058	2,43,443	1,53,872	15,807	..	11,049	1,08,296	1,63,158	3,250
Total ..	5,11,77,427	6,13,34,306	91,80,788	55,26,563	..	36,55,995	49,13,960	8,24,46,324	1,73,03,437
Total of previous year ..	4,79,32,309	5,24,34,152	80,06,282	41,46,082	..	23,92,019	33,38,593	7,18,93,668	1,67,77,909

STATEMENT B.—*Operations of Agricultural Societies*, 1948–49—cont.

Class of societies.	Loans and deposits received during the year from: Primary societies. (14) RS.	Government. (15) Short term. RS.	Government. (15) Long term. RS.	Loans and deposits paid off during the year to: Individuals. Members. (16) RS.	Individuals. Non-members. (17) RS.	Central banks. (18) Short term. RS.	Central banks. (18) Long term. RS.	Primary societies. (19) RS.	Government. (20) Short term. RS.	Government. (20) Long term. RS.
Class I. Credit—Limited—										
(a) Land Mortgage Banks	..	..	..	4,503	97	..	29,57,320	..	..	..
Others	..	1,500	..	3,68,592	1,21,935	17,43,681	63,518	..	..	..
(b) Unlimited	1,74,739	2,010	67,285	20,08,447	47,28,381	3,03,13,614	70,93,873	1,69,902	1,852	73,200
Class II. Purchase and Sale—										
(a) Limited	..	3,73,940	70,500	9,17,111	2,35,481	4,58,13,613	2,20,758	..	3,07,919	29,771
(b) Unlimited	..	..	..	..	..	..	..	..	..	..
Class IV. Production and Sale—										
(a) Limited	3,02,695	6,29,967	..	15,539	12,031	3,03,431	37,417	2,09,341	3,62,625	..
(b) Unlimited	..	..	..	200	..	9,255	..	..	..	..
Class VI. Others—										
(a) Limited	..	..	36,888	12,640	5,163	8,27,905	1,472	..	2,418	6,866
(b) Unlimited	..	39,250	1,26,715	12,550	807	1,25,396	1,714	..	..	16,475
Total	4,77,434	10,46,667	3,01,388	33,39,582	51,03,895	7,91,36,895	1,03,76,072	3,79,243	6,74,814	1,26,312
Total of previous year	1,20,778	4,82,256	2,34,582	21,63,669	28,58,971	6,40,52,155	1,02,00,350	1,37,527	4,18,918	2,08,149

Class of societies.	Sale of goods to members. (21) RS.	Purchase of members' products. (22) RS.	Cost of management. (23) RS.	Share captial. Received during the year. (24) RS.	Share captial. Paid off during the year. (25) RS.	Share captial. Outstanding at the end of the year. (26) RS.	Loans and deposits held at the end of the year from: Members. (27) RS.	Non-members. (28) RS.	Societies. (29) RS.
Class I, Credit—Limited—									
(a) Land Mortgage Banks	..	..	3,97,521	4,16,978	82,738	27,80,464	4,500	23,957	..
Others	87,201	9,714	75,504	80,045	27,521	3,22,785	3,51,814	52,813	..
(b) Unlimited	63,78,922	46,27,435	10,74,709	25,89,672	6,46,814	1,24,82,575	19,29,326	29,44,082	5,554
Class II, Purchase and Sale—									
(a) Limited	3,18,05,459	3,17,56,627	23,35,450	6,94,529	2,17,684	1,38,47,169	3,31,739	1,97,940	..
(b) Unlimited	..	..	..	..	..	..	..	..	..
Class IV, Production and Sale—									
(a) Limited	36,11,912	44,88,549	4,96,507	1,97,063	66,871	5,94,572	9,307	14,379	1,88,031
(b) Unlimited	..	..	3,085	458	241	7,814	..	..	..
Class VI, Others—									
(a) Limited	10,51,322	1,37,968	54,026	1,14,777	7,992	4,75,433	28,499	10,940	..
(b) Unlimited	23,476	1,554	19,867	2,36,215	15,649	4,15,233	15,741	1,05,989	..
Total	4,29,58,292	4,10,21,847	44,56,669	43,29,737	10,65,510	3,09,26,045	26,70,916	33,50,100	1,93,585
Total of previous year	3,07,28,977	2,98,46,260	37,54,509	33,84,037	9,07,900	2,68,28,171	20,59,995	30,83,738	65,740

Class of societies.	Loans and deposits held at the end of the year from: Provincial or Central Banks. (30) Short term. RS.	Provincial or Central Banks. (30) Long term. RS.	Government. (31) RS.	Reserve Fund. (32) RS.	Other Funds. (33) RS.	Working capital. (34) RS.	Interest collected. (35) RS.
Class I. Credit—							
(a) Limited—							
Land Mortgage Banks	..	3,38,33,397	..	6,85,930	95,461	3,74,22,709	17,42,850
Others	3,95,664	2,35,043	1,500	1,13,168	46,501	15,69,288	57,907
(b) Unlimited	3,34,41,000	1,93,41,338	2,64,427	99,53,243	37,74,184	8,41,35,829	36,04,841
Class II. Purchase and Sale—							
(a) Limited	1,12,34,797	1,90,717	5,36,013	11,60,827	27,24,726	3,02,23,928	7,02,507
(b) Unlimited	..	..	..	..	..	..	..
Class IV. Production and Sale—							
(a) Limited	2,28,128	20,057	3,92,695	1,72,190	3,27,208	19,56,567	18,409
(b) Unlimited	38,020	..	..	5,309	4,178	55,321	433
Class VI. Others—							
(a) Limited	6,32,132	22,568	69,638	58,798	2,85,790	15,83,788	34,995
(b) Unlimited	1,80,860	30,796	2,49,540	48,815	30,170	10,77,144	14,200
Total	4,61,50,701	5,37,32,916	15,13,813	1,21,98,280	72,88,218	15,80,24,574	61,76,142
Total of previous year	4,20,69,964	4,62,00,870	10,77,935	1,15,33,392	58,80,141	13,87,99,946	48,90,618

Class of societies.	Profit and loss for the year. (36) Book profit. (a) RS.	Divisible profit. (b) RS.	Loss (excluding overdue interest from profits)—Profit and loss statement. (c) RS.	Loss (including overdue interest in profits) — Balance sheet. (d) RS.	Usual rate of dividend paid on shares. (37)	Most usual rate of interest. On borrowings. (38)	On lendings. (39)
Class I. Credit—							
(a) Limited—							
Land Mortgage Banks	1,35,611	1,13,947	27,254	19,979	5	4½	5½
Others	70,893	54,382	6,327	4,872	6¼	4½	6¼
(b) Unlimited	29,24,673	11,29,561	11,38,344	5,36,267	6¼	4½	6¼
Class II. Purchase and Sale—							
(a) Limited	18,02,035	17,08,297	9,30,023	8,86,556	6¼	4½	6¼
(b) Unlimited	..	..	..	..	..	..	..
Class IV. Production and Sale—							
(a) Limited	2,39,126	2,34,854	1,54,188	1,50,520	6¼	4½	6¼
(b) Unlimited	..	..	4,710	2,792	6¼	4½	6¼
Class VI. Others—							
(a) Limited	94,816	71,036	51,760	42,733	6¼	4½	6¼
(b) Unlimited	1,08,655	60,380	51,566	42,024	6¼	4½	6¼
Total	53,75,809	33,72,757	23,64,122	16,85,243	..	..	..
Total of previous year	44,54,811	25,64,270	23,05,746	15,79,306	..	..	..

Statement B-1—*Operations of Land Mortgage Banks and Societies*, 1948–49.

Province.	Number of banks or societies.	Number of members.	Loans made during the year. Individuals.	Banks and societies.	Loans repaid during the year. Individuals.	Banks and societies.	Loans at the end of the year (due by) Individuals.	Banks and societies.	Of which overdue.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
				Central Land Mortgage Bank.					
			RS.	RS.	RS.	RS.	RS.	RS.	RS.
Madras	1	624	5,901	77,72,770	4,650	31,11,525	2,841	3,45,71,745	1,75,549
				Primary Land Mortgage Banks.					
Madras	119	1,12,998	75,87,014	Nil.	29,80,050	Nil.	3,48,92,851	Nil.	84,319

Province.	Paid-up share capital.	Borrowings held at the end of the year. Loans from Individuals.	Banks and societies.	Deposits.	Debentures. Public.	Government.
	(11)	(12)	(13)	(14)	(15)	(16)
			Central Land Mortgage Bank.			
	RS.	RS.	RS.	RS.	RS.	RS.
Madras	12,37,700	5,00,000	Nil.	8,22,182	4,21,31,154	Nil.
			Primary Land Mortgage Banks.			
Madras	27,80,464	Nil.	3,38,82,897	28,457	Nil.	Nil.

Province.	Reserve Fund.	Other Funds.	Working capital.	Profit (*plus*) and loss (*minus*) for the year.	Usual rate of dividend on shares.	Most usual rate of interest. Borrowings.	Lendings.
	(17)	(18)	(19)	(20)	(21)	(22)	(23)
			Central Land Mortgage Bank.				
	RS.	RS.	RS.	RS.			
Madras	18,41,246	5,78,762	4,71,11,044	2,26,061	4 per cent.	3 per cent.	4½ per cent.
			Primary Land Mortgage Banks.				
Madras	6,85,930	95,461	3,74,22,709	(+) 1,18,947 (—) 27,254	5 per cent.	4½ per cent.	5½ per cent.

Statement C.—*Operations of Non-Agricultural Societies*, 1948–49.

Class of societies.	Number of societies.	Number of members. Societies.	Individuals.	Loans made during the year to Individuals. SHORT TERM.	LONG TERM.	Banks and socie-ties.	Receipts from loans and deposits repaid during the year by Individuals. SHORT TERM.	LONG TERM.	Banks and socie-ties.	Loans due by Individuals. SHORT TERM.	LONG TERM.	Of which overdue. SHORT TERM.	LONG TERM.	Banks and socie-ties.
(1)	(2)	(3) (a)	(3) (b)	(4)	(4)	(5)	(6)	(6)	(7)	(8)	(8)	(9)	(9)	(10)
				RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Non-Agricultural Societies.														
Class I. Credit—														
(a) Limited—														
(i) Urban Banks maintaining fluid resources.	217	1	215,580	2,92,71,952	1,43,87,539	..	2,70,36,973	1,13,42,509	..	1,68,89,624	2,25,00,463	25,99,922	35,32,464	..
(ii) Employees' societies.	600	3	177,634	1,17,35,779	1,93,48,552	..	96,01,009	1,65,11,566	..	83,71,011	1,72,90,936	3,89,043	10,48,241	..
(iii) Others ..	246	3	38,463	14,42,546	9,99,181	..	12,07,136	6,66,675	..	11,90,719	15,95,715	2,71,236	3,70,810	..
(b) Unlimited ..	98	1	10,172	3,34,097	1,22,424	..	2,62,283	1,11,123	..	2,20,549	2,27,578	25,877	59,389	..
Class II. Purchase and Sale—														
(a) Limited ..	2,093	6,394	611,809	..	..	..	453	..	..	870	..	870	..	..
(b) Unlimited ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Class IV. Production and Sale—														
(a) Limited ..	1,185	153	178,295	3,20,013	18,145	..	3,33,735	301	..	3,93,307	20,552	1,52,873	239	..
(b) Unlimited ..	4	..	293	263	..	..	955	..	..	551	..	516	..	..
Class V. Insurance—Limited	4	348	41,500	..	..	..	..	..	..	..	..	..	..	..
Class VI. Others—														
(a) Limited ..	506	896	50,905	3,14,517	35,98,957	..	2,03,605	8,69,255	..	3,44,470	69,90,683	53,680	1,73,453	..
(b) Unlimited ..	33	..	3,988	15,036	..	..	10,306		..	18,920	..	3,408	..	..
Total ..	4,986	7,799	1,328,639	4,34,34,208	3,84,74,798	..	3,86,56,455	2,95,01,429	..	2,74,30,021	4,86,25,927	34,97,375	51,84,596	..
Total of previous year.	4,722	7,052	1,221,842	3,66,13,685	3,32,04,547	..	3,15,69,687	2,46,91,455	..	2,19,97,340	4,01,38,943	25,35,296	43,58,785	..
Grand total (B & C).	20,495	12,855	2,847,148	9,82,77,981	5,75,58,608	..	9,04,21,449	4,08,32,197	..	7,86,07,448	10,99,60,233	1,26,78,163	1,07,11,159	..
Grand total of previous year.	18,356	11,789	2,506,220	9,01,15,542	5,06,63,404	..	7,24,79,670	3,42,29,825	..	6,99,29,649	9,25,73,095	1,05,41,528	85,04,867	..

STATEMENT C.—*Operations of Non-Agricultural Societies*, 1948-49—cont.

	Loans and deposits received during the year from: Individuals. Members. (11)	Individuals. Non-members. (12)	Central Banks. (13) SHORT TERM.	Central Banks. (13) LONG TERM.	Primary societies. (14)	Government. (15) SHORT TERM.	Government. (15) LONG TERM.	Loans and deposits paid off during the year to: Individuals. Members. (16)	Individuals. Non-members. (17)	Central Banks. (18) SHORT TERM.	Central Banks. (18) LONG TERM.	Primary societies. (19)	Government. (20) SHORT TERM.	Government. (20) LONG TERM.
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Non-Agricultural Societies.														
Class I (*a*)—Credit—Limited—														
(i) Urban Banks maintaining fluid resources.	34,966,548	11,11,11,793	3,10,77,841	11,89,224	24,79,489	500	..	3,39,97,003	11,13,14,065	2,88,21,903	18,70,437	28,95,091	500	..
(ii) Employees societies.	4,479,705	40,17,896	52,15,309	8,41,691	..	..	5,000	29,95,017	32,17,906	33,08,493	4,23,300	4,715	..	4,885
(iii) Others ..	576,637	16,69,983	9,22,666	4,59,991	..	..	..	5,64,158	15,55,201	7,91,667	2,42,316	..	..	..
Class I (*b*)—Unlimited.	11,419	31,100	1,14,623	56,401	..	..	..	48,392	..	1,00,621	29,363	..	..	..
Class II (*a*)—Purchase and Sale—Limited.	7,847,287	67,34,234	24,32,30,874	40,59,567	23,68,035	2,05,00,000	1,200	64,52,128	63,74,508	22,57,73,500	27,50,671	21,50,304	1,05,02,500	..
Class II (*b*)—Unlimited.	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Class IV (*a*)—Production and Sale—Limited.	2,544,377	12,43,304	2,79,17,738	4,25,984	23,99,095	9,961	50,750	23,52,561	13,36,877	2,48,06,630	3,62,963	23,58,208	..	100
Class IV (*b*)—Unlimited.	..	..	1,12,288	..	..	..	..	..	..	92,326	3,600	..	..	..
Class V—Insurance—Limited.	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Class VI (*a*)—Others—Limited.	205,420	7,41,563	7,08,647	1,02,608	1,71,645	2,00,000	80,74,178	73,412	2,26,909	6,75,169	75,611	1,85,440	3,347	14,58,161
Class VI (*b*)—Unlimited.	..	..	14,110	..	..	..	..	..	..	9,176	..	..	..	..
Total ..	50,631,388	12,55,49,873	30,93,14,096	71,35,466	74,18,264	2,07,10,461	81,31,128	4,64,82,666	12,40,25,466	28,43,79,485	57,58,261	75,93,758	1,06,06,347	14,68,166
Total of previous year.	44,382,675	12,62,97,785	21,30,56,179	76,36,530	36,11,483	21,100	27,07,900	3,99,34,673	11,08,30,022	22,97,16,337	35,78,290	34,61,898	4,894	96,821
Grand total (B & C).	54,187,383	13,04,63,833	39,17,60,420	2,44,38,903	78,95,698	2,17,57,128	84,32,526	4,98,22,248	12,91,29,361	36,35,16,880	1,61,34,333	79,73,001	1,11,81,161	15,89,478
Grand total of previous year.	46,774,694	12,96,36,348	26,40,49,847	2,44,16,429	37,32,261	5,03,356	29,42,482	4,20,98,342	11,36,88,993	29,37,66,492	1,27,78,640	35,99,425	4,23,752	3,04,970

	Sale of goods to members. (21)	Purchase of members' products. (22)	Cost of management. (23)	Share capital. Received during the year. (24)	Share capital. Paid off during the year. (25)	Share capital. Outstanding at the end of the year. (26)	Loans and deposits held at the end of the year from: Members. (27)	Non-members. (28)	Societies. (29)	Provincial and Central Banks. (30) SHORT TERM.	Provincial and Central Banks. (30) LONG TERM.	Government. (31)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Non-Agricultural Societies.												
Class I (*a*)—Credit—Limited—												
(i) Urban Banks maintaining fluid resources.	3,87,650	3,78,368	11,13,935	17,33,749	6,60,301	84,20,750	1,05,00,031	2,60,32,730	1,74,967	43,80,070	18,99,584	..
(ii) Employees societies.	9,43,184	4,22,583	6,43,424	12,11,066	4,16,797	65,89,071	1,20,79,934	60,06,987	..	22,45,797	7,24,017	..
(iii) Others ..	6,79,185	2,82,700	99,117	2,24,622	77,506	12,50,000	4,85,637	5,30,690	..	6,45,701	4,15,897	..
Class I (*b*)—Unlimited.	39,537	36,987	27,709	36,037	8,764	1,39,386	49,080	2,178	..	1,45,936	97,082	..
Class II (*a*)—Purchase and Sale—Limited.	49,39,06,785	25,75,93,553	1,23,75,509	10,51,675	6,04,169	1,45,38,266	18,56,715	22,83,693	3,06,980	3,92,25,087	12,20,187	1,00,18,826
Class II (*b*)—Unlimited.	..	..	..	..	..	..	..	..	..	..	..	..
Class IV (*a*)—Production and Sale Limited.	7,72,76,150	7,55,78,322	46,55,993	18,38,400	6,16,946	73,96,874	10,14,442	7,88,700	23,466	70,41,580	1,69,858	1,99,166
Class IV (*b*)—Unlimited.	5,575	5,836	9,427	474	240	6,458	..	..	..	22,479	2,400	..
Class V—Insurance—Limited.	..	..	6,47,639	870	933	4,66,012	..	..	..	..	..	..
Class VI (*a*)—Others—Limited.	19,08,074	12,90,074	5,28,734	37,46,524	10,25,100	97,34,267	5,51,872	19,22,681	4,75,234	5,02,986	47,661	1,20,94,555
Class VI (*b*)—Unlimited.	72	115	365	6,256	120	19,586	..	..	..	15,851	345,	..
Total ..	57,51,46,212	33,55,88,538	2,01,01,852	98,49,673	34,11,376	4,85,60,670	2,65,37,711	3,75,67,659	9,83,647	5,42,25,487	45,77,031	2,23,12,547
Total of previous year.	41,73,62,276	25,54,11,705	1,65,60,150	1,19,35,336	25,90,454	4,26,01,772	2,43,08,600	3,59,84,054	3,83,678	3,47,85,739	66,43,543	35,66,573
Grand total (B. & C).	61,81,04,504	37,66,10,385	2,45,58,521	1,41,79,410	44,76,886	7,94,86,715	2,92,08,627	4,09,17,759	11,77,232	10,03,76,188	5,82,09,947	2,38,26,360
Grand total of previous year.	44,80,91,253	28,52,57,965	2,03,14,659	1,53,19,378	34,98,354	6,94,29,943	2,63,68,595	3,90,67,792	4,49,418	7,68,55,703	5,28,44,413	46,44,508

STATEMENT C.—*Operations of Non-Agricultural Societies*, 1948–49—cont.

Class of societies.	Reserve fund.	Other funds.	Working capital.	Interest collected.	Profit and loss for the year. Book profit.	Divisible profit.	Loss (excluding overdue interest from profit)—Profit and loss statement.	Loss (including overdue interest in profits)—Balance sheet.	Usual rate of dividend paid on share.	Most usual rate of interest On borrowings.	On lendings.
	(32)	(33)	(34)	(35)	(36) (a)	(b)	(c)	(d)	(37)	(38)	(39)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	PER CENT.	PER CENT.	PER CENT.
Non-Agricultural Societies.											
Class I (a)—Credit—Limited—											
(i) Urban Banks maintaining fluid resources.	32,65,511	14,46,016	5,61,19,659	24,72,434	12,28,841	8,01,777	27,545	2,486	6½	4	6½
(ii) Employees societies.	21,30,176	6,15,457	3,03,91,439	10,82,846	5,20,394	3,79,735	28,945	13,342	6½	4	6½
(iii) Others ..	3,36,918	1,77,637	38,42,480	1,62,427	1,63,508	63,847	22,545	6,594	6½	4	6½ to 7½
Class I (b)—Unlimited.	1,04,471	23,705	5,61,838	33,458	71,341	41,879	26,487	11,984	6½	4½	6½ to 7½
Class II (a)—Purchase and Sale—Limited.	77,19,595	1,40,46,488	9,12,15,837	31,299	69,95,881	69,95,654	16,77,573	16,77,573	6½	4½	..
Class II (b)—Unlimited.	..	..	..	..	..	..	..	..	..	..	..
Class IV (a) Production and Sale—Limited.	61,53,397	59,83,471	2,87,73,954	47,969	25,54,361	25,32,815	20,64,387	20,61,345	6½	4	..
Class IV—(b) Unlimited.	9,065	19,238	59,640	46	5,163	5,158	2,867	2,845	6½	4½	.
Class V—Insurance—Limited.	1,50,078	67,08,162	73,19,252	..	..	..	..	..	..	..	..
Class VI (a)—Others—Limited.	7,22,753	8,35,958	2,68,87,967	2,64,165	4,14,810	3,83,211	1,33,270	1,26,293	6½	4½	5½
Class VI (b)—Unlimited.	1,747	611	38,140	884	630	499	4,256	3,579	6½	4½	6½
Total ..	2,05,93,711	2,98,51,743	24,52,10,206	40,95,528	1,19,54,934	1,12,04,575	39,87,878	39,06,041	..	..	..
Total of previous year.	1,74,36,587	1,68,38,610	18,25,49,156	33,24,981	1,13,19,387	1,07,11,535	24,02,503	23,56,647	..	..	..
Grand total (B & C).	3,27,91,991	3,71,39,961	40,32,34,780	1,02,71,670	1,73,30,743	1,45,77,332	63,52,000	55,91,294	..	..	..
Grand total of previous year.	2,89,69,979	2,27,18,751	32,13,49,102	82,15,599	1,57,74,198	1,32,75,805	47,08,249	39,35,953	..	..	..

STATEMENT D.—*Operation of Unions*, 1948–49.

1	Number of unions	268
2	Number of societies affiliated to unions	10,236
3	Total number of individual members in societies affiliated to unions	1,014,613
4	Total working capital of affiliated societies	Rs. 10,49,51,930
5	Expenditure in the year	Rs. 2,52,997
6	Percentage of expenditure to working capital	0·24
7	Number of supervising staff maintained by unions	504

STATEMENT E.—*Operations of Insurance Societies*, 1948–49.

Serial number.	Names of societies.	Number of members.	Amount of risk involved and number of policies.	Premia collected.	Supplementary contribution collected.	Number of lives Insured.	Lost.	Claims paid.	Cost of management.	Funds on hand at the end of the year (Life Fund).	Amount of risk reinsured.	Premia paid for re-insurance.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
				RS.	RS.			RS.	RS.	RS.	RS.	RS.
1	The South Indian Co-operative Insurance Society, Limited, Madras.	38,262	3,34,79,163 / 25,554	17,10,296	1,63,806	6,581	169	1,73,706	5,63,163	52,37,879	55,240	17,428
2	The Indian Posts and Telegraphs Co-operative Insurance society.	3,221	32,32,815 / 3,312	1,25,867	60,452	217	96	90,493	25,212	12,32,924	..	..
3	The Co-operative Fire and General Insurance Society.	348	10,39,45,338 / 6,111	3,95,663	..	..	..	6,339	53,671	..	4,70,60,312	1,18,555
4	The Madras Motor Vehicles Co-operative Insurance Society, Limited.	17	32,648 / 449	71,747	10	..	..	4,533	5,593	..	..	6,450
	Total ..	41,848	14,07,40,964 / 35,426	23,03,573	2,24,268	6,798	265	2,75,071	6,47,639	64,70,803	4,71,15,552	1,42,433
	Total of previous year ..	36,015	11,82,68,755 / 31,057	19,80,013	1,77,142	6,683	82 / 1,23,126	2,84,585	5,88,616	53,57,320	2,67,94,992	1,03,414

STATEMENT F.—*Operations of Reinsurance Societies*, 1948–49—Nil.

APPENDIX No. 1.—*General Summary of Progress of Co-operative Societies in 1948–49.*

SECTION I—WORKING CAPITAL OF SOCIETIES ON 30TH JUNE 1949.

Particulars.	The Madras Provincial Co-operative Bank (1).	The Madras Co-operative Central Land Mortgage Bank (1).	Central Banks (31).	Societies affiliated to unions (268) (c).	Agricultural societies. Land mortgage banks (119).	Credit societies other than land mortgage banks (13,740) (d)	Societies for purposes, other than credit (1,650) (e).	Total of agricultural societies (15,509).
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Share capital	14,64,200	12,37,700	1,04,45,567	..	27,80,464	1,28,05,360	1,53,40,221	3,09,26,750
Deposits from members	(a) 4,16,78,261	..	(a) 5,26,06,804	..	4,500	22,81,140	3,85,276	26,70,916
Loans from other societies	1,80,54,450	8,22,182	10,17,90,802	..	3,88,32,397	5,34,68,699	1,27,76,106	10,00,77,202
Loans and deposits of non-members (individuals)	..	(b) 4,21,31,134	..	..	23,957	29,96,895	3,29,248	33,50,100
Loans from Government	1,90,00,000	5,00,000	10,50,000	..	..	2,65,927	12,47,886	15,13,818
Reserve fund	41,50,000	18,41,246	52,08,926	..	6,85,930	1,00,66,411	14,45,939	1,21,98,280
Other funds	12,06,550	5,78,762	33,53,998	..	95,461	38,20,685	33,72,072	72,88,218
Total working capital on 30th June 1949 ..	8,55,53,461	4,71,11,044	17,44,56,097	10,49,51,930	3,74,22,709	8,57,05,117	3,48,96,748	15,80,24,574
Total working capital on 30th June 1948 ..	6,18,14,642	4,21,73,411	14,06,95,747	8,06,40,691	3,23,30,630	7,22,64,090	3,42,05,226	13,87,99,946
Divisible profits	3,60,167	2,26,061	16,67,964	..	1,13,947	11,84,243	20,74,567	33,72,757
Loss recouped	..	..	..	..	27,254	11,44,671	11,92,197	23,64,122
Reserve fund including addition to be made as per account of 1948–49	42,40,042	19,31,670	56,25,917	..	7,15,400	1,06,58,532	19,11,085	1,32,85,017

(a) Includes deposits of non-members, joint stock banks, local bodies, etc.
(b) Includes debentures.
(c) Includes Madras Provincial Co-operative Union, four Training Institutes, two Language Federations, two Audit Unions and one Co-operative advancement society.
(d) Excludes 384 societies not started.
(e) Excludes 28 societies not started.

APPENDIX No. 1.—*General Summary of Progress of Co-operative Societies in 1948–49—cont.*

SECTION I—WORKING CAPITAL OF SOCIETIES ON 30TH JUNE 1949—*cont.*

Particulars.	Non-agricultural societies. Urban banks (217).	Employees' societies (600) (f).	Other limited liability credit societies (246) (g).	Unlimited liability credit societies (98).	Societies for purposes other than credit (3,825) (h).	Total of non-agricultural societies (4,986).	Total for 1948–49 (20,528) (i).	Total for 1947–48 (18,388).
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Share capital	84,20,750	65,89,071	12,50,000	1,39,386	3,21,61,463	4,85,60,670	9,26,34,182	8,07,07,937
Deposits from members	1,05,00,031	1,20,79,934	4,85,637	49,080	34,23,029	2,65,37,711	12,34,93,692	10,32,39,256
Loans from other societies	64,54,621	29,69,314	10,61,598	2,43,018	4,90,57,114	5,97,86,165	28,05,30,801	22,41,05,804
Loans and deposits of non-members (individuals)	2,60,32,730	60,06,987	5,30,690	2,178	49,95,074	3,75,67,659	8,30,48,913	7,67,46,879
Loans from Government	..	..	..	..	2,23,12,547	2,23,12,547	4,43,76,360	1,46,44,508
Reserve fund	32,65,511	21,30,176	3,36,918	1,04,471	1,47,56,685	2,05,98,711	4,39,92,163	3,89,77,450
Other funds	14,46,016	6,15,457	1,77,637	23,705	2,75,88,928	2,98,51,743	4,22,79,271	2,76,11,068
Total working capital on 30th June 1949	5,61,19,659	3,03,91,439	38,42,480	5,61,838	15,42,94,790	24,52,10,206	71,03,55,382	..
Total working capital on 30th June 1948	5,75,41,572	2,63,13,226	29,26,773	5,11,425	9,52,56,160	18,25,49,156	..	56,60,32,902
Divisible profits	8,01,777	3,79,735	63,847	41,879	99,17,337	1,12,04,575	1,68,31,524	1,51,98,048
Loss recouped	27,548	28,945	22,545	26,487	38,82,353	39,87,878	63,52,000	47,08,249
Reserve fund including addition to be made as per account of 1948–49 ..	34,65,955	22,25,110	3,52,880	1,14,941	1,72,35,969	2,33,94,855	4,84,77,501	4,34,33,010

(f) Excludes seven societies not started.
(g) Excludes one society not started.
(h) Excludes 55 societies not started.
(i) Number of societies excluding 268 unions.

APPENDIX No. 1—SECTION II—DEMAND, COLLECTION AND BALANCE OF PRINCIPAL AND INTEREST DUE TO SOCIETIES IN 1948–49.

1948–49.	Demand.				Collection.			
	Central Bank.	Agricultural.	Non-agricultural.	Total.	Central Bank.	Agricultural.	Non-agricultural.	Total.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Principal including arrears	9,34,67,490	7,21,86,025	7,51,82,379	24,08,35,894	(a) 8,85,34,379	(b) 5,74,78,674	(c) 6,65,00,408	21,25,13,461
Interest due in previous years (arrear interest) ..	61,297	26,77,298	8,91,777	36,30,372	17,383	10,87,752	4,38,680	15,43,815
Interest due in 1948–49 (current interest) ..	51,86,940	61,64,562	40,35,274	1,53,86,776	51,73,115	50,27,643	36,53,946	1,38,54,704

1948–49.	Balance.				Percentage of balance to demand.		
	Central Bank.	Agricultural.	Non-agricultural.	Total.	Central Bank.	Agri-cultural.	Non-agri-cultural.
	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	RS.	RS.	RS.	RS.			
Principal including arrears	49,33,111	1,47,07,351	86,81,971	2,83,22,433	5·27	20·36	11·54
Interest due in previous years (arrear interest) ..	43,914	15,89,546	4,53,097	20,86,557	71·64	59·37	50·80
Interest due in 1948–49 (current interest) ..	13,825	11,36,919	3,81,328	15,32,072	0·26	18·44	9·44

(a) Includes extension for Rs. 23,26,719. (b) Includes extension for Rs. 3,36,315. (c) Includes extension for Rs. 6,64,076.

APPENDIX No. 1.—SECTION III—DEMAND, COLLECTION AND BALANCE OF PRINCIPAL AND INTEREST DUE TO SOCIETIES IN 1947–48.

1947–48.	Demand.				Collection.			
	Central Bank.	Agri-cultural.	Non-agri-cultural.	Total.	Central Bank.	Agri-cultural.	Non-agri-cultural.	Total.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Principal including arrears	7,69,45,507	5,63,98,980	6,11,71,509	19,45,15,996	(a) 7,30,58,361	(b) 4,42,46,666	(c) 5,42,77,428	17,15,82,455
Interest due in previous years (arrear interest).	53,229	24,38,240	7,10,432	32,10,901	13,920	7,13,727	3,62,759	10,90,406
Interest due in 1947–48 (current interest) ..	40,96,350	50,23,225	33,60,591	1,24,80,166	40,75,130	41,77,731	29,86,278	1,12,39,139

1947–48.	Balance.				Percentage of balance to demand.		
	Central Bank.	Agri-cultural.	Non-agricultural.	Total.	Central Bank.	Agri-cultural.	Non-agri-cultural.
	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	RS.	RS.	RS.	RS.			
Principal including arrears	38,87,146	1,21,52,314	68,94,081	2,29,33,541	5·05	21·55	11·27
Interest due in previous years (arrear interest) ..	39,309	17,24,513	3,56,673	21,20,495	73·86	70·73	49·58
Interest due in 1947–48 (current interest) ..	21,220	8,45,494	3,74,313	12,41,027	0·52	16·23	11·14

(a) Includes extension for Rs. 15,23,914. (b) Includes extension for Rs. 2,49,751. (c) Includes extension for Rs. 5,29,551.

APPENDIX No. 2.—*Synopsis of Loans in Agricultural and Non-Agricultural Societies (other than Central Banks and Land Mortgage Banks), in 1948–49 and 1947–48.*

A.—LOANS ISSUED DURING THE YEAR CLASSIFIED ACCORDING TO (a) PURPOSE AND (b) VALUE.

Classification.	Agricultural, 1948–49. Amount.	Agricultural, 1948–49. Percentage.	Agricultural, 1947–48. Amount.	Agricultural, 1947–48. Percentage.	Non-agricultural, 1948–49. Amount.	Non-agricultural, 1948–49. Percentage.	Non-agricultural, 1947–48. Amount.	Non-agricultural, 1947–48. Percentage.
(a) PURPOSE.	RS.		RS.		RS.		RS.	
For cultivation expenses	3,30,13,599	49·75	2,57,62,683	39·80	28,75,630	3·52	16,84,903	2·41
For purchase of cattle	98,33,814	14·82	1,24,30,973	19·21	8,05,166	0·98	7,23,730	1·04
For payment of kist	11,33,702	1·83	7,77,483	1·20	1,85,246	0·22	2,76,849	0·40
For improvement of lands	33,35,521	5·02	32,70,107	5·05	9,85,490	1·21	4,95,646	0·71
For purchase of raw materials	3,41,585	0·51	8,25,954	1·28	10,44,842	1·28	6,26,331	0·90
For trade	45,35,683	6·82	78,67,507	12·10	1,83,14,692	22·36	1,71,11,870	24·51
For education	87,984	0·13	86,181	0·13	12,69,208	1·54	8,28,125	1·18
For building, buying and repairing houses	14,34,296	2·14	11,37,011	1·76	71,15,050	8·68	63,25,502	9·06
For manufacture and purchase of country carts	2,93,853	0·43	1,68,426	0·26	2,29,718	0·27	5,48,948	0·79
For purchase of land	12,77,833	1·91	7,03,466	1·09	14,55,995	1·78	15,65,099	2·24
For purchase of food and necessaries of life	70,42,981	10·60	68,88,786	10·64	1,96,20,525	23·96	1,57,32,485	22·53
Total loans for productive purposes	6,23,30,851	93·96	5,99,18,577	92·57	5,39,01,562	65·80	4,59,19,488	65·77
For paying off prior debts	36,63,622	5·53	46,15,998	7·13	1,77,72,849	21·70	1,54,51,142	22·13
For marriages	1,83,367	0·20	1,05,221	0·16	46,11,358	5·63	50,83,663	7·28
For other ceremonies	51,906	0·07	22,872	0·04	27,28,896	3·33	9,95,636	1·43
For litigation and non-productive purposes	1,60,828	0·24	65,509	0·10	28,94,336	3·54	23,68,303	3·39
Total for non-productive purposes	3,46,101	0·51	1,93,602	0·30	1,02,34,590	12·50	84,47,602	12·10
Grand total	6,63,40,574	100·00	6,47,28,177	100·00	8,19,09,001	100·00	6,98,18,232	100·00
(b) VALUE.								
Loans not exceeding Rs. 50	53,03,394	7·99	48,46,010	7·49	74,43,796	9·09	60,14,763	8·62
Loans exceeding Rs. 50 but not exceeding Rs. 100	90,77,804	13·68	77,31,320	11·94	1,28,64,017	15·70	76,33,595	10·93
Loans exceeding Rs. 100 but not exceeding Rs. 250	1,74,65,676	26·33	1,45,57,702	22·49	1,71,92,152	20·79	1,30,69,821	18·72
Loans exceeding Rs. 250	3,44,93,700	52·00	3,75,93,145	58·08	4,44,09,036	54·22	4,31,00,053	61·73
Total	6,63,40,574	100·00	6,47,28,177	100·00	8,19,09,001	100·00	6,98,18,232	100·00

B—LOANS OUTSTANDING AGAINST MEMBERS AT THE END OF THE YEAR CLASSIFIED ACCORDING TO (a) SECURITY AND (b) PERIOD.

Classification.	Agricultural, 1948–49. Amount.	Agricultural, 1948–49. Percentage.	Agricultural, 1947–48. Amount.	Agricultural, 1947–48. Percentage.	Non-agricultural, 1948–49. Amount.	Non-agricultural, 1948–49. Percentage.	Non-agricultural, 1947–48. Amount.	Non-agricultural, 1947–48. Percentage.
(a) SECURITY.	RS.		RS.		RS.		RS.	
1 Loans on the security of deposits	2,70,906	0·35	2,21,042	0·31	35,29,663	4·64	28,58,061	4·60
2 Loans on pledge of movables—								
(a) Jewels	5,12,143	0·66	3,69,003	0·53	52,76,433	6·93	36,77,317	5·92
(b) Standing crops	17,34,209	2·23	21,31,737	3·03	63,620	0·08	1,10,950	0·18
(c) Produce and finished goods	1,03,05,073	13·28	1,17,34,032	16·69	5,34,279	0·71	11,15,731	1·79
Total of movables (a) + (b) + (c)	1,25,51,425	16·17	1,42,34,772	20·25	58,74,332	7·72	49,03,998	7·89
3 Loans on mortgage of immovable properties	1,99,13,214	25·63	1,72,71,831	24·57	2,52,16,967	33·17	2,06,60,254	33·25
4 Loans on the joint security of one or more members	4,44,85,380	57·31	3,81,67,244	54·30	3,94,56,349	51·87	3,25,17,583	52·33
5 Loans on the simple bond of the borrowers	3,97,957	0·52	4,00,300	0·57	19,78,637	2·60	11,96,387	1·93
Total (1 to 5)	7,76,18,882	100·00	7,02,95,189	100·00	7,60,55,948	100·00	6,21,36,283	100·00
(b) PERIOD.								
1 Loans not exceeding one year	5,11,77,427	65·93	4,79,32,309	68·19	2,74,30,021	36·06	2,19,97,340	35·40
2 Loans exceeding one year and not exceeding three years	1,52,10,961	19·59	1,43,42,299	20·40	1,53,96,895	20·25	1,33,50,845	21·49
3 Loans exceeding three years but not exceeding five years	1,02,89,564	13·25	72,51,604	10·32	2,36,71,691	31·13	1,98,43,844	31·94
4 Loans exceeding five years	9,40,930	1·23	7,68,977	1·09	95,57,341	12·56	69,44,254	11·17
Total (1 to 4)	7,76,18,882	100·00	7,02,95,189	100·00	7,60,55,948	100·00	6,21,36,283	100·00

APPENDIX No. 3—SECTION I (a).—*Demand, Balance and Percentage o[f] loans due by Land Mortgage Banks to the Madras Central Land Mortgage Bank and others*, 1948–49.

Districts.	Principal (long-term).			Interest.		
	Demand.	Balance.	Percentage.	Demand.	Balance.	Percenta[ge.]
	RS.	RS.		RS.	RS.	
Anantapur ..	32,680	..	..	21,744	..	..
Arcot, North ..	83,285	..	..	73,245	..	..
Arcot, South ..	1,27,883	..	..	63,491	..	..
Bellary ..	21,255	..	..	5,761	..	..
Chingleput ..	88,626	..	..	65,629	..	..
Chittoor ..	56,038	..	..	39,430	..	..
Coimbatore ..	1,02,010	..	..	1,03,255	..	..
Erode ..	1,57,097	..	..	1,19,231	..	..
Cuddapah ..	36,019	..	..	21,549	..	..
Godavari, East ..	72,661	..	..	97,463	..	..
Godavari, West ..	76,110	..	..	92,493	..	..
Guntur ..	62,641	..	..	56,055	..	..
Kanara, South ..	14,380	..	..	10,090	..	..
Krishna ..	66,546	..	..	88,827	..	..
Kurnool ..	37,553	..	..	26,401	..	..
Madras ..	..	..	..	..	..	..
Mathurai ..	96,134	..	..	98,145	..	..
Malabar ..	29,663	921	3·10	17,038	..	..
Nellore ..	31,793	..	..	26,969	..	..
Nilgiris ..	15,551	..	..	10,633	..	..
Ramnad ..	8,678	..	..	14,314	..	..
Salem ..	84,775	..	..	84,080	..	..
Tanjore ..	38,731	..	..	26,657	..	..
Kumbakonam ..	60,417	..	..	81,232	..	..
Tiruchirappalli ..	70,097	..	..	34,510	..	.
Tirunelveli ..	21,939	..	..	25,748	..	.
Pudukottai ..	..	..	..	..	..	.
Visakhapatnam ..	96,041	..	..	55,439	..	.
Srikakulam ..	42,485	..	..	28,733	..	.
Total ..	16,31,088	921	0·06	13,91,162	..	.

APPENDIX No. 3—SECTION I (b).—*Demand, Balance and Percentage of loans due by Agricultural Credit Societies (excluding Land Mortgage Banks)*, 1948–49.

Districts.	Principal. Long term. Demand.	Long term. Balance.	Long term. Percentage.	Short term. Demand.	Short term. Balance.	Short term. Percentage.	Interest. Demand.	Interest. Balance.	Interest. Percentage.
	RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	2,76,919	57,653	20·82	2,37,473	26,913	11·33	46,193	..	..
Arcot, North	8,37,929	65,759	7·85	5,73,081	88,776	15·49	63,417	87	0·13
Arcot, South	2,42,953	1,35,159	55·64	6,53,016	1,69,619	28·88	50,121	2,099	40·12
Bellary	3,26,637	1,69,855	52·01	4,16,042	1,58,226	38·03	12,462	1,469	12·01
Chingleput	5,27,330	2,08,579	39·06	25,35,585	44,971	1·73	87,147	7,289	8·37
Chittoor	2,67,849	1,60,150	59·80	3,14,670	99,114	31·50	46,110	9,275	20·12
Coimbatore	1,94,625	..	..	6,37,228	..	..	57,934	..	..
Erode	3,62,596	..		5,17,499	..	..	1,02,547	9,693	9·44
Cuddapah	56,387	39,949	70·99	3,09,508	2,08,023	67·23	16,732	3,754	22·48
Godavari, East ..	2,10,393	8,715	41·44	49,80,695	2,47,533	4·97	2,17,991	1,183	6·54
Godavari, West ..	45,518	9,251	20·33	36,51,005	1,40,191	3·81	1,49,694	5,524	3·69
Guntur	1,19,160	55,352	46·47	10,86,981	3,31,098	30·47	63,325	337	0·53
Kanara, South ..	8,238	600	7·32	9,57,496	29,376	3·07	30,325	2,741	9·05
Krishna	50,948	8,763	17·22	47,37,912	4,41,951	9·33	1,87,625	..	..
Kurnool	90,077	67,221	74·69	1,90,655	1,00,245	53·64	19,092	5,126	26·98
Madras	2,127	..	..	1,689	..	..	631	385	61·17
Mathurai	6,38,845	18,966	2·97	13,46,844	22,600	1.67	1,28,031	3,225	2·52
Malabar	1,44,791	39,187	27·07	3,18,617	44,952	14·18	35,870	13,042	36·43
Nellore	1,07,559	61,908	57·58	7,11,534	2,96,383	41·67	54,531	19,092	35·03
Nilgiris	95,845	..	..	7,52,805	..	..	42,184	..	..
Ramnad	10,48,991	3,98,485	38.99	12,46,746	2,70,144	21·72	1,60,850	2,976	1·85
Salem	11,57,265	..	..	28,94,731	..	..	2,43,249	..	..
Tanjore	1,94,329	42,414	21·83	23,58,260	68,035	2·46	1,11,149	17,352	15·62
Kumbakonam	3,55,200	1,10,905	31·22	3,37,601	47,687	14·19	37,050	1,227	3·32
Tirunelveli	27,997	1,437	51·79	7,47,412	5,114	0·68	47,962	..	..
Tiruchirappalli ..	14,03,397	..	..	11,18,796	427	0·04	1,44,713	2,303	1·59
Pudukkottai	5,86,836	1,14,746	19·51	..	..	.	22,501	6,266	27·88
Visakhapatnam ..	148	148	100·00	27,71,094	1,06,035	3·83	1,21,452	6,491	5·35
Srikakulam	20,506	17,302	84·43	13,38,159	2,27,820	17·03	1,00,383	16,222	16·17
Total ..	94,01,395	17,92,504	19·06	3,77,43,133	31,75,233	8·41	24,01,271	1,37,161	5·71

APPENDIX NO 3.—SECTION I (b).—*Demand, Balance and Percentage of loans due by Non-Agricultural Credit Societies to Central Banks and others*, 1948–49.

Districts.	Principal. Long term. Demand.	Long term. Balance.	Long term. Percentage.	Short term. Demand.	Short term. Balance.	Short term. Percentage.	Interest. Demand.	Interest. Balance.	Interest. Percentage.
	RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	10,62,701	71,626	6·74	77,06,512	20,500	0·26	32,845	..	..
Arcot, North	2,76,738	11,903	4·30	1,50,10,623	57,663	0·36	47,532	..	..
Arcot, South	1,38,098	6,287	0·45	67,76,026	39,432	0·58	35,001	1,922	5·49
Bellary	1,77,334	12,087	6·82	24,91,316	9,052	0·36	22,098	3,287	14·94
Chingleput	15,35,733	..	..	45,50,514	1,586	0·03	42,780	..	..
Chittoor	5,82,490	14,977	2·57	1,62,29,634	3,816	0·02	69,372	2,055	2·99
Coimbatore	50,96,577	..	..	3,47,930	..	..	34,903	..	..
Erode	1,37,560	..	..	1,23,89,890	7,582	0·06	40,477	4,471	11·14
Cuddapah	99,721	7,869	7·89	46,48,555	31,925	0·07	21,752	1,082	4·98
Godavari, East ..	1,05,974	7,475	7·06	7,75,533	9,271	1·19	22,168	539	2·44
Godavari, West ..	20,632	1,069	5·19	3,86,308	19,020	4·92	13,447	1,877	14·00
Guntur	13,512	..	..	52,92,097	35,253	0·67	26,200	..	..
Kanara, South ..	4,39,786	6,618	1·51	51,92,564	30,035	0·58	56,650	4,127	7·34
Krishna	83,164	100	0·12	12,32,901	15,488	0·26	30,006	..	..
Kurnool	72,035	13,224	18·37	1,89,424	15,055	7·95	17,662	6,416	36·45
Madras	22,08,217	..	..	53,93,129	..	..	4,83,852	86,207	17·82
Mathurai	20,53,735	7,554	0·37	98,85,279	42,057	0·42	89,941	13,729	4·15
Malabar	1,32,955	1,804	1·35	2,05,28,908	28,471	0·13	90,204	6,903	7·65
Nellore	38,687	3,889	10·08	5,79,433	36,480	6·50	21,298	3,410	16·08
Nilgiris	22,275	..	..	78,02,358	..	..	11,904	447	3·76
Ramnad	25,71,837	11,514	0·45	1,02,08,574	47,574	0·47	40,269	9	..
Salem	4,64,909	..	..	82,44,118	..	..	92,849	..	..
Tanjore	1,97,939	925	0·47	26,12,683	2,556	0·09	38,293	1,325	3·44
Kumbakonam	1,79,965	6,438	3·58	31,21,147	3,700	0·12	35,370	4,218	11·95
Tirunelveli	4,09,779	14,108	3·44	55,98,631	1,700	0·03	59,768	2,125	3·56
Tiruchirappalli.. ..	15,06,174	450	0·03	57,18,558	..	..	1,05,087	65	0·06
Pudukkottai	40,46,339	14,749	0·36	..	..	..	51,336	16,227	31·67
Visakhapatnam ..	3,61,953	947	0·27	44,21,893	35,298	0·79	64,102	6,388	9·49
Srikakulam	8,708	..	..	53,121	1,953	3·68	3,021	135	4·50
Total ..	2,40,45,527	2,15,640	0·89	16,73,87,659	4,95,467	0·29	17,01,217	1,66,964	9·82

APPENDIX NO. 3—SECTION II.—*Percentage of overdue to individual Central Banks towards principal, arrear interest and current interest for* 1948–49.

Serial number and name of the Central Bank.	Percentage of principal overdue to demand. Long term.	Percentage of principal overdue to demand. Short term.	Percentage of interest overdue to demand. Arrear.	Percentage of interest overdue to demand. Current.
1 Anantapur Co-operative Central Bank	18·24	3·96	..	..
2 Vellore Co-operative Central Bank	13·58	1·60	..	..
3 South Arcot District Co-operative Central Bank ..	33·12	11·01	50·11	0·85
4 Hospet Co-operative Central Bank	34·47	4·37	85·94	0·88
5 Kancheepuram Co-operative Central Bank	12·66	0·71	..	..
6 Chittoor District Co-operative Central Bank	44·51	13·25	58·36	1·23
7 Coimbatore District Co-operative Central Bank ..	..	..	..	..
8 Cuddapah Co-operative Central Bank	57·42	15·08	98·74	1·76
9 Kakinada Co-operative Central Bank	15·49	4·25	97·94	0·54
10 Rajahmundry Co-operative Central Bank	..	3·30	..	..
11 Ramachandrapuram Co-operative Central Bank ..	4·83	1·94	..	0·04
12 Sreekonaseema Co-operative Central Bank	5·42	5·33	..	..
13 Eluru Co-operative Central Bank	15·34	3·40	..	..
14 Guntur District Co-operative Central Bank	13·60	17·45	..	..
15 South Kanara District Co-operative Central Bank ..	1·93	3·25	..	0·003
16 Krishna Co-operative Central Bank	26·83	6·94	..	..
17 Vijayavada Co-operative Central Bank	0·95	3·79	..	..
18 Kurnool District Co-operative Central Bank	54·92	3·33	..	..
19 Madras District Co-operative Central Bank	4·19	..	98·89	0·74
20 Mathurai District Co-operative Central Bank	..	..	..	..
21 Malabar District Co-operative Central Bank	6·35	0·19	..	..
22 Nellore District Co-operative Central Bank	45·85	6·40	..	..
23 Ramnad District Co-operative Central Bank	27·98	16·04	..	..
24 Salem District Co-operative Central Bank	..	..	..	..
25 Tanjore District Co-operative Central Bank	10·99	0·90	..	..
26 Kumbakonam Co-operative Central Bank	31·08	14·11	..	0·02
27 Tirunelveli District Co-operative Central Bank ..	..	..	..	..
28 Tiruchirappalli District Co-operative Central Bank ..	..	..	..	..
29 Vizianagaram Co-operative Central Bank	9·55	1·82	16·41	0·405
30 Srikakulam Co-operative Central Bank	23·86	28·54	86·22	3·46
31 Pudukkottai Co-operative Central Bank	63·38	19·18	96·50	0·31
Presidency average ..	15·57	4·19	71·64	0·26

APPENDIX NO. 4—SECTION I (a).—*Demand, Balance and Percentage of loans due by members to Land Mortgage Banks, 1948–49.*

Districts.	Principal.			Interest. Arrear interest.			Interest. Current interest.		
	Demand.	Balance.	Percentage.	Demand.	Balance.	Percentage.	Demand.	Balance.	Percentage.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	18,139	195	1·08	137	..	..	27,918	261	0·94
Arcot, North	77,912	2,957	3·79	1,332	682	51·95	88,627	1,020	1·15
Arcot, South	1,05,513	..	..	..	..	..	79,899	851	1·06
Bellary	12,740	..	..	..	..	..	7,598	..	..
Chingleput	67,243	164	0·24	1,940	..	..	78,948	..	..
Chittoor	47,625	1,088	2·29	161	..	..	41,283	550	1·31
Coimbatore	1,15,160	287	0·25	..	..	..	1,27,598	258	0·20
Erode	1,34,452	..	..	163	..	..	1,46,148	61	..
Cuddapah	33,198	1,601	4·83	930	131	14·09	27,024	1,424	6·00
Godavari, East	1,11,712	19,411	17·38	28,095	..	..	82,258	157	..
Godavari, West	1,13,710	1,788	1·57	521	..	..	1,10,114	1,197	1·08
Guntur	1,14,047	1,307	1·15	12,379	35	0·28	55,056	465	0·83
Kanara, South	13,560	6,501	47·94	1,370	..	..	12,138	78	..
Krishna	1,40,434	4,966	3·54	1,655	1,019	61·57	1,28,692	746	..
Kurnool	33,160	700	2·11	24	..	..	31,004	1,187	3·83
Madras	..	..	..	..	..	..	..	..	..
Mathurai	1,11,238	..	..	16,172	151	0·93	1,28,527	..	..
Malabar	26,718	921	3·45	616	..	..	21,302	852	3·99
Nellore	65,640	33,087	50·41	6,701	178	2·64	29,793	1,003	3·37
Nilgiris, The	12,563	1,369	10·89	1,027	..	..	13,321	2,000	15·00
Ramnad	10,600	..	..	157	157	100·00	17,274	75	..
Salem	88,113	1,212	1·38	..	..	..	1,02,908	1,490	1·45
Tanjore	40,751	2,204	5·42	645	645	100·00	33,601	1,585	..
Kumbakonam	98,064	3,189	3·25	217	..	..	1,04,740	129	..
Tirunelveli	32,586	25	0·07	109	..	..	31,189	100	..
Tiruchirappalli	60,911	..	..	4,521	..	..	37,410	..	..
Pudukkottai	3,719	..	..	..	..	..	..	..	..
Visakhapatnam	79,320	743	0·93	1,679	219	13·05	68,392	1,356	1·99
Srikakulam	38,581	604	1·57	2,788	..	..	35,393	2,370	6·77
Total	18,03,690	84,319	4·67	81,335	3,217	3·94	16,68,065	19,215	1·15

APPENDIX NO. 4—SECTION I (b).—*Demand, Balance and Percentage of Loans due by Members of Agricultural Credit Societies (excluding Land Mortgage Banks), 1947–48 and 1948–49.*

Out of principal.

Districts.	1947–48. Long term.			1947–48. Short term.			1948–49. Long term.			1948–49. Short term.		
	Demand.	Balance.	Percentage.	Demand.	Balance.	Percentage.	Demand.	Balance.	Percentage.	Demand.	Balance.	Percentage.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS.	RS.		RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	3,49,601	1,71,869	49·16	2,01,200	64,729	32·12	4,40,742	1,56,381	35·48	2,76,072	78,926	28·57
Arcot, North	7,00,929	3,18,650	45·46	7,33,577	1,91,676	26·13	8,88,504	4,62,189	52·00	6,54,375	2,28,756	34·96
Arcot, South	3,38,156	2,37,869	70·34	4,59,916	1,41,619	30·79	3,37,775	2,23,449	65·87	7,71,976	2,61,221	33·84
Bellary	1,86,071	1,23,022	66·12	4,84,766	2,26,469	46·72	2,90,050	1,95,724	67·49	5,07,879	1,94,778	38·35
Chingleput	8,39,508	4,62,444	55·08	4,04,764	1,02,888	25·42	8,44,069	4,68,427	55·50	4,38,415	1,17,466	26·58
Chittoor	1,78,274	1,09,389	61·36	1,92,685	58,280	30·25	2,51,953	1,32,815	52·72	3,06,702	1,09,902	35·84
Coimbatore	9,40,642	2,72,474	30·03	11,29,405	1,99,592	17·67	3,97,616	1,16,815	29·63	9,09,085	1,52,695	16·79
Erode	..	..	..	..	..	..	6,51,857	1,85,762	28·51	7,93,702	1,31,140	16·52
Cuddapah	51,090	42,914	83·95	2,51,401	1,46,766	58·38	36,175	32,056	88·79	3,03,379	1,99,173	65·67
Godavari, East.	2,89,356	96,976	33·51	40,22,752	8,89,025	22·10	3,41,257	1,26,739	34·33	45,35,085	7,67,501	16·92
Godavari, West.	78,140	34,368	43·98	23,28,133	3,44,091	14·78	86,973	27,473	31·62	30,64,648	2,58,860	8·45
Guntur	1,68,789	77,972	46·19	7,93,903	2,84,675	35·86	1,99,035	1,18,020	59·31	11,69,136	3,99,757	34·19
Kanara, South.	37,315	19,368	51·90	8,42,162	1,83,105	21·74	37,607	15,645	41·61	10,24,910	2,00,772	19·59
Krishna	68,315	25,097	36·74	42,95,822	9,28,932	21·62	63,353	24,747	38·57	51,32,393	7,93,161	13·51
Kurnool	1,00,931	79,688	78·95	1,39,816	93,205	66·66	1,22,223	92,565	75·75	2,26,340	1,39,673	61·72
Madras	..	..	..	..	..	..	6,981	6,375	94·19	7,833	5,631	72·19
Mathurai	6,90,178	1,20,759	17·50	8,63,449	72,152	8·36	8,53,131	1,91,478	22·44	15,54,817	1,64,755	10·59
Malabar	1,92,660	1,03,350	53·64	3,75,754	1,24,939	33·22	3,38,201	1,51,120	44·68	3,87,936	1,53,751	31·90
Nellore	1,51,193	94,676	62·62	5,21,196	2,00,582	38·48	1,96,319	1,34,507	68·52	7,02,765	3,38,890	48·22
Nilgiris, The	1,69,273	64,838	38·30	8,32,582	1,08,840	13·07	1,48,746	51,253	34·42	8,80,477	1,05,182	11·95
Ramnad	7,80,079	2,58,184	33·10	7,93,862	2,30,127	28·99	13,21,455	5,73,980	42·68	12,57,921	4,37,746	34·81
Salem	13,34,464	2,79,987	20·98	16,49,749	1,55,989	9·46	18,13,376	5,16,135	28·47	25,45,696	4,44,823	17·47
Tanjore	3,17,640	1,86,964	58·86	14,95,299	1,83,203	12·25	3,73,704	2,09,298	56·03	19,91,292	2,66,404	13·38
Kumbakonam	6,53,956	4,08,955	62·53	2,66,111	1,15,595	43·44	6,55,499	3,90,407	58·04	3,10,786	1,31,640	42·37
Tirunelveli	85,348	47,628	55·80	10,05,953	1,49,791	14·89	84,601	36,913	43·66	8,87,904	1,38,346	15·58
Tiruchirappalli.	14,50,843	4,03,554	27·80	7,30,490	91,809	12·57	18,08,920	4,54,088	25·10	8,20,029	98,126	11·97
Pudukkottai.	..	..	..	..	..	..	4,20,087	1,93,595	46·09	..	..	..
Visakhapatnam.	8,159	7,353	90·12	24,09,310	3,22,938	13·40	4,846	4,546	93·81	30,92,088	2,83,598	9·17
Srikakulam	12,946	11,256	86·94	8,37,330	2,22,643	26·47	17,070	11,411	67·10	13,76,228	2,79,205	20·29
Total	1,01,73,856	40,59,604	43·83	2,80,61,387	58,33,660	20·79	1,30,32,145	53,03,915	40·69	3,59,30,069	68,81,929	19·15

Appendix No. 4—Section I (*b*).—*Demand, Balance and Percentage of Loans due by Members of Non-Agricultural Credit Societies, 1947–48 and 1948–49.*

Districts.	Out of Principal. 1947–48. Long term. Demand.	Balance.	Percentage.	Short term. Demand.	Balance.	Percentage.	1948–49. Long term. Demand.	Balance.	Percentage.	Short term. Demand.	Balance.	Percentage.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS.	RS.		RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur ..	4,55,070	1,05,273	23·13	11,87,192	58,428	4·95	5,60,742	1,05,481	18·81	11,71,601	28,149	2·43
Arcot, North ..	9,56,378	1,14,071	11·93	17,65,710	77,137	4·37	11,60,619	1,89,096	16·29	16,74,014	1,75,824	10·51
Arcot, South ..	6,40,949	90,832	14·17	10,03,765	19,400	1·93	5,95,655	81,159	13·63	15,43,387	3,02,771	19·62
Bellary	3,97,391	1,28,437	32·32	3,04,875	13,034	4·27	5,07,111	2,14,326	42·26	5,52,145	1,63,696	29·65
Chingleput ..	6,86,985	52,617	7·66	9,30,509	64,790	6·96	7,47,308	74,753	10·01	13,74,618	66,218	4·84
Chittoor ..	11,57,359	3,80,294	32·86	16,17,006	1,60,144	9·90	13,52,867	4,60,120	34·01	18,50,966	1,51,310	8·01
Coimbatore ..	11,58,211	1,14,010	9·84	14,00,064	16,307	1·16	8,65,717	1,81,219	20·93	5,32,623	33,037	6·20
Erode	..	..	..	..	..	..	4,88,776	29,569	6·05	9,18,882	12,235	1·33
Cuddapah ..	2,48,675	93,081	37·43	4,50,723	71,139	15·78	2,54,043	79,604	31·33	7,01,085	1,20,679	17·21
Godavari, East	3,10,680	1,14,763	36·94	4,52,471	1,19,465	26·40	3,77,370	1,28,555	34·07	4,50,060	66,417	14·75
Godavari, West	48,336	19,844	41·05	3,15,516	76,306	24·18	88,521	27,739	31·34	4,09,833	1,13,337	27·65
Guntur	2,61,967	80,236	30·63	4,63,006	78,876	17·10	4,37,810	2,23,137	50·95	5,97,239	81,571	13·66
Kanara, South ..	3,86,559	47,375	12·25	23,70,776	1,40,131	5·91	5,27,664	65,535	12·42	27,14,958	1,62,935	6·00
Krishna	3,59,588	1,03,730	28·85	6,38,386	1,02,031	15·98	5,30,956	1,39,162	26·21	7,34,047	1,16,182	15·83
Kurnool.. ..	2,50,783	1,21,472	48·44	78,752	14,412	18·30	3,05,437	1,54,731	50·06	1,17,012	26,910	22·99
Madras	1,18,32,444	12,41,612	10·49	16,70,635	1,62,779	9·74	1,40,62,573	6,57,814	46·78	18,83,866	24,395	12·95
Mathurai ..	12,57,044	1,02,938	8·19	24,24,683	1,81,941	7·50	12,72,023	2,77,468	21·85	34,73,900	2,71,488	7·82
Malabar	8,24,155	2,18,708	26·54	19,80,221	3,06,377	15·47	8,70,982	2,53,524	29·11	25,98,329	3,36,270	12·99
Nellore	1,94,170	59,944	38·72	6,04,096	39,009	6·46	2,00,837	84,683	42·16	7,19,896	49,029	6·81
Nilgiris, The ..	1,96,016	12,879	6·51	11,17,219	3,260	0·29	2,14,521	27,873	12·99	11,26,913	3,328	0·29
Ramnad ..	4,58,541	1,59,416	34·77	14,39,708	1,62,201	11·27	6,37,199	2,26,821	34·09	20,66,913	3,44,591	16·67
Salem	12,77,353	1,30,078	10·11	31,31,374	62,887	2·01	13,46,025	1,61,195	11·08	36,14,933	90,655	2·51
Tanjore	7,68,590	2,43,379	31·64	7,32,864	90,308	12·32	8,52,492	2,35,586	27·52	8,86,248	92,350	10·39
Kumbakonam ..	4,70,477	98,961	21·03	4,79,485	67,363	14·05	5,45,268	1,08,671	19·91	5,79,895	61,933	10·68
Tirunelveli ..	9,46,591	1,39,481	14·73	6,91,069	40,618	5·88	12,38,467	1,98,606	16·11	8,75,528	78,898	9·10
Tiruchirappalli	5,55,671	74,905	13·50	37,34,880	80,299	2·15	6,36,991	1,09,561	17·19	48,74,482	50,536	1·04
Pudukkottai ..	..	..	..	..	..	..	13,60,375	3,37,389	24·81	..	..	..
Visakhapatnam	6,20,591	95,746	15·43	18,18,610	2,41,939	13·30	7,97,168	1,44,221	18·14	24,74,482	2,48,415	10·14
Srikakulam ..	81,643	33,898	41·52	17,118	5,843	34·13	86,044	33,306	38·71	30,852	12,919	41·55
Total ..	2,68,02,217	41,77,980	15·59	3,28,21,313	24,56,424	7·41	3,29,21,537	50,10,904	15·22	4,05,48,448	32,86,078	8·10

Appendix No. 4—Section I (*b*).—*Demand, Balance and Percentage of Interest due by Members of Agricultural Credit Societies (excluding Land Mortgage Banks), 1947–48 and 1948–49.*

Districts.	Out of interest overdue at the end of the previous year (arrears). 1947–48. Demand.	Balance.	Percentage.	1948–49. Demand.	Balance.	Percentage.	Out of interest accrued and fallen due during the year (current). 1947–48. Demand.	Balance.	Percentage.	1948–49. Demand.	Balance.	Percentage.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS.	RS.		RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur ..	67,904	44,669	65·78	54,120	36,096	66·70	49,266	19,409	39·39	71,503	14,756	20·62
Arcot, North ..	92,572	66,543	71·88	1,02,008	74,016	72·56	1,08,339	33,325	30·76	1,20,105	35,808	25·65
Arcot, South ..	2,16,255	1,94,059	89·74	1,93,313	1,75,703	77·62	58,151	25,462	43·78	84,811	35,006	41·16
Bellary	88,708	70,696	79·69	93,733	60,682	64·73	47,308	21,471	45·39	50,133	24,686	49·23
Chingleput ..	1,71,415	1,38,164	80·60	1,62,790	1,30,167	79·03	1,01,485	35,682	35·16	1,23,811	46,013	51·70
Chittoor.. ..	60,986	43,973	72·10	71,434	53,249	74·54	29,378	13,465	43·83	51,325	17,945	34·97
Coimbatore ..	1,02,112	66,304	64·93	54,812	32,644	59·37	2,21,997	46,378	20·89	1,13,073	23,165	20·50
Erode ..	..	..	..	58,384	13,522	23·16	..	..	..	1,49,428	35,867	24·01
Cuddapah ..	54,644	44,085	80·49	58,727	49,933	85·02	21,982	13,281	60·41	21,691	12,716	58·87
Godavari, East	78,201	40,612	51·93	1,10,201	51,361	46·61	3,03,544	59,694	19·66	3,23,004	57,453	14·69
Godavari, West	49,629	25,778	51·94	16,097	..	..	1,47,756	27,170	18·38	2,56,162	53,288	20·81
Guntur	39,388	22,133	56·19	49,217	22,475	45·67	63,448	19,147	30·18	79,385	26,575	34·78
Kanara, South ..	53,217	37,128	69·76	52,228	34,898	66·82	50,935	15,923	31·26	63,540	18,346	28·88
Krishna ..	97,393	56,290	57·80	1,07,140	43,905	40·98	2,43,059	50,478	20·76	3,17,451	61,976	19·52
Kurnool ..	53,700	46,054	85·76	55,617	45,692	82·12	19,413	12,161	62·64	20,537	9,329	45·51
Madras	..	..	..	8,979	8,690	96·78	..	..	..	1,565	1,565	100·00
Mathurai ..	59,493	34,271	57·60	64,252	30,404	47·48	1,43,612	25,697	17·89	2,01,683	30,483	15·12
Malabar ..	67,187	55,227	82·19	63,821	34,371	50·31	43,767	17,316	39·56	51,513	29,111	56·54
Nellore . ..	57,002	42,256	74·11	57,611	41,308	71·71	40,513	18,886	46·61	54,108	25,891	47·85
Nilgiris, The ..	25,130	20,546	81·76	27,588	16,565	60·04	69,640	10,625	15·25	71,469	14,306	10·03
Ramnad ..	61,692	37,087	60·11	1,14,329	53,599	46·99	1,56,569	21,401	13·66	2,23,295	54,115	14·24
Salem	54,573	17,585	32·22	58,217	16,074	27·62	2,60,184	38,145	14·66	3,99,325	83,482	20·91
Tanjore ..	1,96,519	1,74,358	88·72	2,32,617	1,95,686	84·12	1,36,753	52,306	38·24	1,41,420	33,476	23·66
Kumbakonam ..	2,08,826	1,82,647	87·46	2,03,127	1,74,065	70·59	73,351	28,967	39·49	74,866	28,530	38·01
Tirunelveli ..	50,444	36,549	72·45	51,255	40,951	79·88	79,294	14,924	18·82	77,415	10,407	13·44
Tiruchirappalli	92,055	59,526	64·66	1,00,842	64,117	63·60	2,03,070	32,876	16·18	2,60,443	39,948	15·34
Pudukkottai ..	..	..	..	15,281	15,281	100·00	..	..	..	31,152	2,144	6·89
Visakhapatnam	68,017	57,990	85·25	76,375	58,389	76·52	1,44,319	20,009	13·86	1,72,436	11,283	4·23
Srikakulam ..	38,640	26,581	68·79	48,932	30,575	62·52	68,593	23,875	34·80	1,10,099	12,535	11·39
Total ..	22,05,702	16,41,111	74·42	23,63,047	16,04,398	67·88	28,85,726	6,98,073	24·19	37,16,748	8,50,305	22·87

APPENDIX No. 4—SECTION I (*b*).—*Demand, Balance and Percentage of Interest due by Members of Non-Agricultural Credit Societies*, 1947–48 *and* 1948–49.

Districts.	Arrears 1947–48 Demand.	Arrears 1947–48 Balance.	Arrears 1947–48 Percentage.	Arrears 1948–49 Demand.	Arrears 1948–49 Balance.	Arrears 1948–49 Percentage.	Current 1947–48 Demand.	Current 1947–48 Balance.	Current 1947–48 Percentage.	Current 1948–49 Demand.	Current 1948–49 Balance.	Current 1948–49 Percentage.
	Out of the interest overdue at the end of the preivous year (arrears).						Out of the interest accrued and fallen due during the year (current).					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS.	RS.		RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur ..	12,924	5,364	41·51	15,857	5,049	31·84	70,990	9,078	12·79	81,611	6,776	8·30
Arcot, North ..	24,006	11,271	46·95	21,563	7,260	33·67	15,509	8,873	7·68	1,42,017	17,321	12·12
Arcot, South ..	13,984	8,427	60·26	13,872	8,245	59·51	75,089	7,249	9·65	1,00,899	11,158	11·05
Bellary ..	8,937	4.433	49·49	10,544	2,692	25·53	52,145	7,132	13·68	62,486	11,458	18·33
Chingleput ..	15,180	6,027	39·70	16,317	12,804	79·08	4,615	8,477	8·96	1,05,366	3,710	3·52
Chittoor ..	20,925	8,158	38·98	21,397	5,989	27·98	24,753	13,986	11·21	1,81,847	24,970	13·73
Coimbatore ..	20,337	18,077	88·89	14,045	4,597	32·73	1,59,605	1,110	0·69	1,01,011	4,683	4·63
Erode	..	..	..	4,859	2,980	61·33	..	..	..	91,922	1,496	1·62
Cuddapah ..	26,644	19,654	73·76	28,211	22,081	78·27	39,744	10,037	25·25	54,383	9,379	17·24
Godavari, East	10,048	4,212	41·92	13,181	6,038	45·81	56,465	5,792	10·26	68,797	10,166	14·77
Godavari, West	7,695	1,663	21·61	8,368	4,084	48·79	23,680	7,261	30·66	32,338	4,590	14·15
Guntur	13,478	2,702	20·05	16,036	5,484	34·19	58,694	11,949	20·36	72,198	10,622	14·71
Kanara, South ..	25,538	16,656	65·22	34,916	15,947	45·67	86,942	11,192	12·87	1,09,153	20,718	18·97
Krishna ..	17,350	8,240	47·49	17,990	7,877	43·35	58,581	11,283	19·26	75,824	12,156	16·03
Kurnool ..	11,764	5,571	47·36	12,394	10,483	76·51	27,936	8,310	29·75	34,601	4,662	13·47
Madras	1,23,449	86,604	70·15	1,39,587	63,968	45·82	7,61,779	45,220	5·94	6,69,048	67,929	10·15
Mathurai ..	76,206	6,330	8·70	78,226	22,557	28·84	79,754	65,610	36·50	2,53,519	57,210	22·18
Malabar ..	33,764	10,235	30·31	51,994	15,342	29·51	21,009	17,579	14·53	1,74,387	20,844	11·92
Nellore	19,436	8,467	43·56	20,367	12,824	62·96	31,289	11,051	35·32	37,793	7,633	20·19
Nilgiris, The ..	1,277	3	0·23	7,579	4,241	55·96	30,565	1,002	3·28	30,243	1,626	5·38
Ramnad ..	38,695	28,092	72·60	50,943	24,997	49·06	1,00,229	19,021	18·98	1,33,762	37,748	28·22
Salem	12,767	6,465	50·56	11,722	4,120	35·57	1,87,567	6,883	3·67	2,26,074	13,778	6·09
Tanjore ..	38,335	21,397	55·82	36,866	17,887	48·35	90,385	14,354	15·88	1,08,080	22,850	21·14
Kumbakonam ..	21,237	11,406	53·70	23,374	6,446	27·58	72,702	9,850	13·55	82,343	14,164	17·20
Tirunelveli ..	18,797	10,157	53·03	26,588	9,286	34·92	11,302	15,034	13·44	1,35,752	20,130	14·82
Tiruchirappalli ..	33,830	11,187	33·07	26,555	12,037	45·32	2,67,732	9,617	3·59	3,81,928	13,619	3·56
Pudukkottai ..	..	..	..	..	..	..	..	..	..	59,173	..	..
Visakhapatnam ..	22,144	14,459	60·78	23,114	14,598	62·72	15,165	7,700	6·69	1,59,408	12,429	7·84
Srikakulam ..	5,306	3,505	66·06	5,524	4,930	89·24	8,463	2,021	23·88	10,186	935	9·18
Total ..	6,74,053	3,38,762	50·26	8,51,989	3,34,333	39·24	31,22,692	3,46,671	11·10	37,75,609	4,44,767	11·77

APPENDIX No. 5—SECTION I.—*General Summary of Progress of Primary or Retail Co-operative Stores in* 1948–49.

Districts.	Number of primary or retail stores as on 30th June 1949.	Number of branches or depots.	Number of members as on 30th June 1949.	Paid-up share capital on 30th June 1949.	Reserve fund on 30th June 1949.	Borrowings outstanding on the last day of the year: Central banks.	Borrowings: Others.	Borrowings: Total.	Working capital.	Value of annual purchases from: Co-operative wholesale stores.	Purchases: Others.	Purchases: Total.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
			(IN THOUSANDS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).
Anantapur ..	49	48	8·72	1·42	1·54	2·70	1·89	4·59	7·55	40·84	11·98	52·82
Arcot, North ..	65	..	16·91	2·58	0·56	0·21	0·46	0·67	3·81	53·29	12·96	66·25
Arcot, South ..	56	13	14·92	2·18	0·98	0·37	0·51	0·88	4·04	15·45	24·86	40·31
Bellary ..	43	..	12·43	1·51	1·62	2·38	2·79	5·17	8·30	45·32	25·43	70·75
Chingleput ..	50	27	11·14	1·63	0·72	0·51	0·84	1·15	3·50	33·55	8·81	42·36
Chittoor ..	37	10	13·08	1·71	2·14	1·03	0·67	1·70	5·55	7·25	36·09	43·34
Coimbatore ..	51	158	44·02	6·52	5·53	3·91	4·92	8·83	20·88	92·10	81·32	173·42
Erode ..	15	45	6·91	2·14	0·93	4·53	0·82	5·35	8·42	27·83	49·70	77·53
Cuddapah ..	69	..	9·64	1·91	0·44	2·19	0·61	2·80	5·15	25·29	1·48	26·77
Godavari, East	87	16	16·58	1·41	0·44	0·85	0·65	1·50	3·35	4·70	21·99	26·69
Godavari, West	72	86	11·29	2·09	0·25	0·06	1·03	1·09	3·43	2·63	10·66	13·29
Guntur ..	101	16	19·56	4·50	0·74	20·29	0·42	20·71	25·95	30·70	..	30·70
Kanara, South ..	67	211	21·05	2·77	2·14	2·35	1·50	3·85	8·76	98·39	14·76	113·15
Krishna ..	52	59	11·24	5·62	0·37	1·06	0·18	1·24	7·23	7·58	4·14	11·72
Kurnool ..	66	43	14·45	1·26	1·41	14·88	0·66	15·54	18·21	15·10	12·90	28·00
Madras ..	9	81	19·82	2·21	2·16	7·18	6·74	13·92	18·29	4·32	152·76	157·08
Mathurai ..	122	11	49·31	10·57	5·55	11·97	..	11·97	28·09	34·84	95·09	129·93
Malabar ..	62	50	18·78	2·50	2·41	2·05	1·41	3·46	8·37	22·37	62·05	84·42
Nellore. ..	59	..	10·32	2·99	1·11	3·22	0·26	3·48	7·58	22·89	20·79	43·68
Nilgiris, The ..	26	21	12·48	2·22	1·53	3·86	0·41	4·27	8·02	11·10	48·38	59·48
Ramnad ..	111	..	43·11	17·25	6·99	33·45	0·93	34·38	58·62	28·79	259·87	288·66
Salem ..	100	..	47·28	8·02	2·03	2·46	1·18	3·64	13·69	50·15	69·24	119·39
Tanjore ..	29	38	9·04	1·41	0·56	0·53	0·57	1·10	3·07	8·12	28·91	37·03
Kumbakonam ..	64	14	18·55	4·08	1·32	1·23	1·92	3·15	8·55	15·00	33·03	48·03
Tirunelveli ..	150	291	69·53	12·70	6·03	0·16	6·36	6·52	28·25	174·46	24·84	199·30
Tiruchirappalli ..	58	46	25·20	3·24	1·05	2·10	1·20	3·30	7·59	30·05	37·96	78·01
Pudukkottai ..	31	4	8·96	1·82	0·65	0·97	2·44	3·41	5·88	..	29·44	29·44
Visakhapatnam.	52	138	13·77	3·01	2·24	18·38	0·77	19·15	24·40	38·93	58·40	97·33
Srikakulam ..	21	..	4·92	0·59	0·20	0·43	0·01	0·44	1·23	3·90	5·92	9·82
Total ..	1,774	1,426	583·01	111·86	53·64	145·11	42.15	187·26	352·76	944·94	1,243·76	2,198·70
Previous years figure.	1,749	1,474	559·5	105·15	42·49	53·44	27·64	80·58	228·22	510·22	1,353·14	1,863·36

APPENDIX No. 5—SECTION I.—*General Summary of Progress of Primary or Retail Co-operative Stores in* 1948–49—cont.

Districts.	Annual sales to: Members.	Non-members.	Total.	Classification of sales according to commodities: Food-stuffs.	Cloths.	Others.	Trading results: Gross profit: Number of stores.	Amount.	Gross loss: Number of stores.	Amount.	Net results: Net profit: Number of stores.	Amount.	Net loss: Number of stores.	Amount.
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).		RS. (IN LAKHS).		RS. (IN LAKHS).		RS. (IN LAKHS).		RS. (IN LAKHS).
Anantapur ..	19·98	33·56	53·54	41·34	5·88	6·32	40	2·35	4	0·01	29	0·85	17	0·13
Arcot, North ..	14·49	55·38	69·87	43·95	15·90	10·02	53	2·87	2	0·01	38	1·25	25	0·50
Arcot, South ..	23·18	16·92	40·10	16·04	6·86	17·20	41	1·98	10	0·19	22	0·55	28	0·35
Bellary ..	11·95	59·63	71·58	57·00	10·46	4·12	37	3·25	3	0·01	24	1·30	17	0·25
Chingleput ..	11·54	39·64	51·18	45·44	4·00	1·74	43	1·64	1	0·01	28	0·65	17	0·20
Chittoor ..	16·23	28·12	44·35	23·32	7·43	13·60	34	1·95	3	0·01	21	0·59	16	0·43
Coimbatore ..	113·04	69·09	182·13	131·94	20·44	29·75	51	9·45	..	..	43	3·46	8	0·19
Erode	31·69	53·03	84·72	67·38	9·59	7·75	14	3·93	..	..	10	1·09	5	0·68
Cuddapah ..	2·98	24·18	27·16	12·24	13·72	1·20	45	1·27	13	0·08	14	0·14	52	1·66
Godavari, East ..	6·93	18·51	25·44	10·49	12·20	2·75	83	0·41	54	0·49	33	0·40	54	0·49
Godavari, West ..	2·92	11·69	14·61	4·83	6·51	3·27	64	0·62	9	0·01	18	0·08	55	0·64
Guntur ..	14·31	16·93	31·24	9·06	20·80	1·38	95	1·57	..	..	42	0·34	53	1·48
Kanara, South ..	46·57	74·68	121·25	98·76	10·25	12·24	65	4·53	2	0·01	48	1·37	19	0·16
Krishna ..	..	12·21	12·21	8·20	1·80	2·21	44	0·44	8	0·03	24	0·22	28	0·55
Kurnool ..	4·99	20·85	25·84	18·22	2·88	4·74	43	1·38	22	0·22	31	0·40	34	1·40
Madras ..	46·86	106·93	153·79	59·61	26·46	67·62	9	10·57	..	..	4	4·99	5	0·05
Mathurai ..	114·25	42·52	156·77	103·47	35·49	17·81	119	13·13	3	0·01	88	2·25	34	1·17
Malabar ..	45·01	41·42	86·43	59·51	14·12	12·80	62	3·72	..	..	50	1·30	11	0·16
Nellore ..	13·36	30·81	44·17	26·72	13·80	3·65	40	1·67	12	0·08	20	0·48	35	0·85
Nilgiris, The ..	64·44	8·53	72·97	48·72	2·60	21·65	21	4·16	3	0·05	17	1·98	8	0·25
Ramnad ..	309·34	..	309·34	248·59	25·30	35·45	105	14·44	6	0·04	61	5·71	50	1·10
Salem ..	41·39	82·00	123·39	83·54	17·48	22·37	87	5·26	11	0·07	49	1·39	51	0·75
Tanjore ..	11·43	26·71	38·14	22·99	6·40	8·75	28	1·80	1	0·04	23	1·08	6	0·11
Kumbakonam ..	16·29	36·83	53·12	15·84	12·67	24·61	55	2·69	5	0·02	38	0·96	22	0·38
Tirunelveli ..	94·37	116·35	210·72	129·37	49·34	32·01	140	8·77	10	0·30	85	2·78	65	1·24
Tiruchirappalli ..	25·91	53·31	79·22	39·15	14·48	25·59	55	4·32	3	0·02	41	1·56	16	0·37
Pudukkottai ..	27·42		27·42	..	..	27·42	31	1·09	..	..	25	0·39	6	0·1[illegible]
Visakhapatnam ..	8·37	77·86	86·23	44·36	34·01	7·86	38	3·19	3	0·02	14	0·09	34	1·27
Srikakulam ..	6·35	4·09	10·44	5·26	2·67	2·41	18	0·46	3	0·02	6	0·69	15	0·44
Total ..	1,145·5[illegible]	1,161·78	2,307·87	1,475·34	403·54	428·49	1,510	112·91	191	1·75	944	28·30	786	16·78
Previous years figure.	860·07	1,4[illegible]·69	2,35[illegible]·76	1,364·45	253·70	735·61	1,532	91·73	138	1·60	933	29·88	779	13·22

APPENDIX No. [illegible] [illegible] II.—*General Summary Progress of District Co-operative Wholesale Stores in* 1948–49.

Name of the District Co-operative Wholesale Stores or Central Stores.	Number of members.	Paid-up share capital on 30th June 1949.	Reserve fund on 30th June 1949.	Borrowings outstanding at the end of the year: Central Banks.	Others.	Total.	Working capital on 30th June 1949.	Annual purchases.	Annual sales: Food-stuffs.	Cloths.	Others.	Total.	Trading results: Gross profit.	Gross loss.	Net profit.	Net loss.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
		RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).	RS. (IN LAKHS).		RS. (IN LAKHS).	RS. (IN LAKHS).
Anantapur	635	1·21	0·8[illegible]	5·01	0·16	5·1[illegible]	7·16	74·58	62·58	13·44	0·09	76·11	1·82	..	0·34	..
Arcot, North ..	436	1·09	2·0[illegible]	25·48	0·49	25·[illegible]	29·47	211·57	40·13	25·18	139·36	204·67	7·27	..	4·16	..
Arcot, South ..	1,142	1·79	1·2[illegible]	19·00	0·09	19·[illegible]	22·30	94·41	58·12	23·23	11·00	92·35	3·81	..	1·85	..
Bellary	885	1·57	0·8[illegible]	9·94	..	9·[illegible]	12·38	94·04	83·74	13·81	0·19	97·74	4·48	..	1·24	..
Chingleput	191	2·51	5·[illegible]	18·50	0·63	19·[illegible]	27·25	140·87	148·54	17·51	7·04	173·09	8·33	..	5·95	..
Chittoor	342	0·92	0·5[illegible]	25·00	0·23	25[illegible]	27·09	181·88	163·36	21·98	2·33	187·67	5·10	..	1·93	..
Coimbatore	240	2·17	2·[illegible]	2·50	0·56	3[illegible]	8·17	239·13	167·18	84·64	4·23	256·05	7·11	..	5·07	..
Cuddapah	300	0·97	0·9[illegible]	4·33	0·31	4[illegible]	5·90	56·41	43·02	12·29	4·89	60·20	1·93	..	0·27	..
Godavari	558	1·07	0·3[illegible]	4·62	0·20	4[illegible]	6·15	40·85	3·74	34·14	3·77	41·65	1·44	..	0·29	..
Guntur	1,234	1·72	0·3[illegible]	1·00	0·20	1[illegible]	3·88	42·05	9·06	35·07	1·38	45·51	2·36	..	1·63	..
Kanara, South ..	743	2·76	1·8[illegible]	58·82	1·78	60[illegible]	65·19	273·17	229·10	14·61	6·60	250·31	5·85	..	1·48	..
Krishna	610	1·08	0·1[illegible]	3·18	0·04	3[illegible]	4·44	30·81	3·37	21·82	4·99	30·18	1·51	..	0·74	..
Kurnool	383	1·87	0·7[illegible]	13·00	0·39	1[illegible]	15·46	56·69	48·21	11·24	1·56	61·01	1·77	..	0·40	..
Mathurai-Ramnad ..	393	2·05	3·8[illegible]	24·66	1·24	2[illegible]	31·79	165·56	107·58	23·38	14·41	145·37	3·77	..	1·10	..
Malabar	901	2·86	1·0[illegible]	6·00	0·41	[illegible]	10·34	48·07	..	39·11	4·86	43·97	2·04	..	0·17	..
Nellore	287	1·50	0·2[illegible]	5·88	0·05	[illegible]8	7·65	74·96	32·81	18·09	28·74	79·64	2·43	..	0·82	..
Nilgiris, The ..	122	0·66	0·23	3·99	0·08	[illegible]7	4·96	33·21	34·76	3·75	0·25	38·76	0·90	..	0·46	..
Salem	738	2·53	1·31	5·06	12·48	[illegible]4	21·38	241·45	191·48	27·41	6·35	225·34	3·44	..	0·77	..
Tanjore	344	1·03	0·05	11·03	0·09	[illegible]2	12·20	39·51	0·01	23·59	9·07	32·67	1·78	..	0·50	..
Tirunelveli	304	2·46	[illegible]	[illegible]	0·59	[illegible]70	50·13	185·00	162·01	23·24	3·01	188·26	4·70	..	0·71	..
Tiruchirappalli ..	440	1·71	[illegible]	10·07	[illegible]·34	[illegible]31	14·20	132·76	92·91	22·57	10·50	125·98	3·18	..	1·50	..
Vizianagaram ..	455	1·3[illegible]	1·32	[illegible]	[illegible]	[illegible]64	21·35	56·89	3·91	35·20	3·01	42·12	1·56	..	0·32	..
Pudukkottai ..	759	[illegible]	0·21	0·83	[illegible]	[illegible]51	3·00	15·03	7·69	0·35	6·54	14·58	0·47	..	0·12	..
Total for the year ..	12,442	[illegible]	30·5[illegible]	322·07	[illegible]·51	[illegible]·58	411·84	2,528·90	1,693·27	545·65	274·17	2,513·23	77·55	..	31·79	..
Total of the previous year.	10,694	34·53	24·76	189·28	10·1[illegible]	[illegible]·40	258·69	1,391·22	1,400·80	84·66	142·13	1,627·59	60·01	..	25·61	1·40