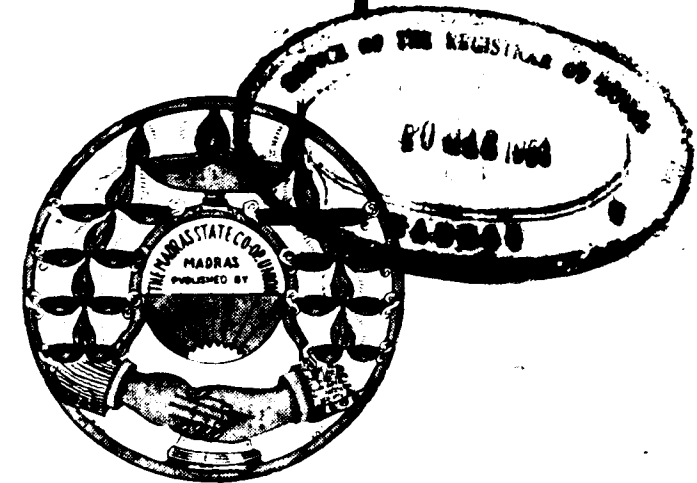


The 28th Madras State Co-operative Conference Number

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HONY. EDITOR

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

ASSOCIATE EDITOR:

VISWANATHAN IERUMALLA,

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EACH FOR ALL AND ALL FOR EACH

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JANUARY 1953

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Thought for the Month

The New Economic Order.

Planned co-operative economy, in place of profit motive and the so called civil liberty of private competition, cannot safely depend on mere external authority however powerful. We must have a culture and a generally accepted code of spiritual values which work as a law from within. Without such spiritual control, mere material planning must needs culminate in wide spread corruption and fraud. Vedanta and the ethic which follows from it and which is expounded and fully set out in the Bhagavad Gita are pre-eminently fitted to serve as the spiritual basis for planned co-operative community life wherein every one must work according to capacity and get according to need.

Work without aiming at personal profit and with an eye only to the welfare of the community is the way of life taught in the Bhagavad Gita. It lays emphasis on the equal dignity and sacredness of all labour that falls to one's lot and on honest effort with detachment and without agitation over results. Indeed the Gita lays down in a unique manner the socialist doctrine in terms of religion. The performance of one's allotted task, says that Gita, is nothing less than worship of God in the truest sense.

We want a wise allotment of work to individuals as well as groups in accordance with the demands of general interest in place of laissez faire and the divine right to make private profit. If we want society to control individual life so as to produce this result we cannot depend only on the spy and policeman watching over citizens. We must build up a spiritual life which makes joy out of discharge of duty and acts as a law from within, making the execution of State imposed laws easy. In vedanta we have a teaching rooted in immemorial tradition in India which can serve as the spiritual and cultural basis for a newer and juster economy of life.

C. RAJAGOPALACHARI.
"Agricultural Economist"
October, 1952.

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Editorial Notes

Co-operators Confer at Madras:

We have great pleasure in offering to our numerous readers at home and abroad this Special Number of our Journal containing the proceedings of the XXVIII Madras State Co-operative Conference held on the 20th and 21st of last month.

As many our readers might be aware, this Conference was one of the two great socio-economic Conferences held about the same time during the month, the other one being the Sixth International Social Work Conference. It was, in a way, a happy synchronisation of two great events; for it gave an opportunity to some of the co-operative enthusiasts and social workers to attend both the conferences and draw inspiration and instruction from the deliberations, in order that they might comprehend ways and means of dovetailing the activities of both types of service organisations. In another circumstantial detail, however, the Conference gave ill ease to not a few of those who attended it: It looked a sad repetition of history that the Conference should come off in circumstances which were as disquieting as on the occasion of the last Conference—and probably more so. There was a persistent drought in the State, which was only broken by a disastrous cyclone in the South; while there was a serious dislocation of transport in the Andhra Desa on the eve of the Conference. As ill-luck would have it the Chairman of the Reception Committee himself was not able to be present. However, all is well that ends well; and, thanks to the earnestness of the Organisers, the Conference, though commenced under the clouds of doubts and fears, went on successfully.

The Conference was attended by no less than a thousand delegates and visitors. As the Chairman of the Reception Committee mentioned in his Welcome Address, there was an array of public men on the dais to perform various duties during the inauguration of the session: The Hon'ble Sri D. Sanjeevayya, Minister for Co-operation hoisted the Co-operative Flag. Sri D. Mahalingam Pillai, Vice-President of the Madras State Co-operative Union, deputising for Sri B. Venkataratnam Choudry, the Chairman of the Reception Committee, welcomed the delegates and visitors. The Hon'ble Sri Rajagopalachariar, Chief Minister, Madras, inaugurated the Conference; Sri Syamanandan Sahaya, Chairman of the Bihar State Co-operative Bank,

EDITORIAL NOTES

presided over the Conference; the Hon'ble Sri C. Subramaniam, Minister for Finance, unveiled the portrait of the late Sri T. A. Ramalingam Chettiar; Dr. Sir A. Lakshmanaswamy Mudaliar, Vice-Chancellor of the Madras University and an eminent educationist opened the Cottage Industries Exhibition; and finally, Dr. B. V. Narayanaswami Naidu, Member of the Indian Tariff Commission, delivered the Valedictory Address.

As one would naturally expect of such eminent public men, there was little that was dull or common place in the speeches delivered. Every speaker dealt with a few aspects of the Co-operative Movement and presented to those assembled their views based on their own experience with movements in public life:

The Hon'ble Minister for Co-operation appealed to the delegates to give him sound and valuable advice based on their long experience. He, however, cautioned them to mark the changing times and adapt the movement to the new times. He pleaded for a re-orientation of the Movement, for instance, in the field of agricultural production. He also pointed out how "Co-operation" even as the Rainbow Flag which represents it, is casteless and creedless.

The Chairman of the Reception Committee, in his Welcome Address indicated the position of the Movement in its various aspects and drew pointed attention of the Conference to certain vital matters: For instance, he suggested the immediate introduction of a scientific policy of taxation. He pointed the urgent need for providing proper housing for the *Harijans* and the ensuring of a just treatment to the milk supply societies by the State. For the promotion of cottage industries in a larger measure than now, he proposed the organisation of a Cottage Industries Federation at State level as in Bombay. He also indicated the need for a better understanding between the societies and their employees in the larger interests of the Movement.

Sri Rajaji pointed the value of Conferences as occasions for making personal contacts for strengthening the faith in the Movement. But he stressed that the real success of the Movement lay in pursuing it with missionary zeal as some of the pioneers of the Movement in South India had done decades before. To the surprise of most of those present, he revealed that he also was a co-operator. From his fairly long experience with the Movement,

he could perceive three great benefits accruing from the Movement: For one thing he noticed that large funds lodged in the hands of the middle classes now went to the aid of the poor and needy. Secondly, he observed with pleasure and satisfaction the steady, though slow, emergence of a non-caste community drawn from various castes and sects and bound by a common interest of business or trade. Thirdly he perceived that for a country like ours co-operation offers the golden mean, for it retains all that is good in the capitalistic scheme and claims to maintain all the good principles of socialism.

The Presidential Address of Sri Syamnandan Sahaya bore out clearly his experience with the movement in his own State of Bihar and his acquaintance with that of Madras and some other States. He showed his great appreciation of the Movement in Madras by referring to Madras as the Mecca of the Co-operators in India. He also mentioned his appreciation of the joint efforts of the official and non-official sections of the Movement in Madras for the promotion of the movement. Referring to the new political and constitutional status of India, he stated that in this self-governing country, the emphasis should no more be on the rights of the people but on their responsibilities. The Five-year Plan envisages the development of Co-operation and Panchayats; and therefore it behoves us Co-operators to rise to the occasion and play our part fully in the grand national development programme. In order that Co-operation might play its proper role he gave several valuable suggestions: For one thing he suggested that since co-operation is an all-engrossing movement, the various nation-building activities might safely be integrated with the Co-operative Movement. Secondly he pleaded for a new mental outlook and missionary zeal on the part of those connected with the Movement. Thirdly he appealed for the spending of larger amounts by the State for Co-operative development, in as much as the tax-payer is the villager himself. Fourthly he indicated his conviction that in as much as the pace of progress varies with the availability of funds for intensive and extensive work, the State must needs give all necessary financial aid to the movement. Fifthly he said that the co-operative officialdom is essentially different from the other Government services and that the Co-operative Department should identify itself with the non-official section and fight the Government on behalf of the movement. He

pursued it further and even suggested the creation of a separate Co-operative service consisting of men with an aptitude for social service and public work.

The President's concluding remarks were no less significant: They were his impressions regarding the Co-operative Movement in the State. He said that while Madras did progress remarkably in the field of Co-operation, there appeared a strange lack of awareness on the part of the public and even the Press regarding the achievements of the movement. He suggested that the movement must give adequate attention to publicity through press and platform in the larger interests of the community. Secondly he emphasised the very great need for training the youth in co-operative work even from now, so that they may keep the vast movement going on without a break. Thirdly he suggested the organisation of an agricultural production and marketing statistical section as a branch of the Madras State Co-operative Union. Fourthly he suggested the forming of a Subjects Committee on big occasions like this Conference, for the purpose of "screening" the resolutions before placing them before the Conference for discussion.

The Hon'ble Sri Subramanian, while referring to the life of the late Sri T. A. Ramalingam Chettiar, drew pointed attention to the need for developing character and personal integrity on the part of those in the co-operative field. He also suggested the need for a re-adjustment between co-operative production and distribution so that the country might have a smooth economic system. Dr. Lakshmanaswamy Mudaliar impressed upon the Conference the urgent need for rural industrialisation by pressing into service the modern scientific developments like electricity, so that our country might not lag behind her sister countries.

Dr. B. V. Narayanaswamy Naidu, in the course of his Valedictory Address applauded the general progress made by Madras in Co-operation but pointed that inadequacy of provision of credit still continued to be the chief defect of the movement in the State as elsewhere. He, however, suggested that the solution lay in the promotion of the movement in three directions. First, savings and thrift must be encouraged; secondly, the co-operative must make a real effort to supplant the merchant-moneylender by providing both credit and marketing facilities to the members; and thirdly the land mortgage banks should

pay more attention to agricultural improvements than the liquidation of prior debts.

Thus we have at this Conference some of the best sentiments and views of some of the front-rank co-operators and public men in our country. There is little doubt that these suggestions and observations richly deserve the best attention of all those to whom the co-operative cause is most dear.

As many as 57 resolutions have been passed at the Conference. Of course a good many of them are a re-iteration of the suggestions and requests made at many a previous Conference. For instance, those relating to the Shops and Establishments Act, medium term loans, abolition of sales tax on milk, acquisition of house sites for co-operative housing societies, separation of audit and administration and re-enactment of Section 28 of the Co-operative Societies Act in Madras. Yet there are not a few which, if implemented, are bound to have far-reaching importance. Those demanding a larger role for Co-operation in the Five-Year Plan and the Community Development Programme and the one suggesting the bringing of a few whole villages under the movement as a pilot measure surely indicate an earnestness on the part of the movement to do constructive work among the community. A few of the resolutions seek to draw the village *panchayats* also into closer contact with co-operatives, so that the socio-economic and administrative development of the village may be smooth and effective. The resolution on co-operative insurance seeks to lay down a practical course for promoting the insurance habit in the countryside. The value of sectional conferences or auxiliary conferences has been recognised. Above all co-operative training and education has been given the practical approach which is most needed. The Conference recommended the starting of a Co-operative College, the creation of separate cadres of co-operative executives and the provision of facilities for training separately the superior and lower grade members of the staff of societies and the provincialisation of service of the co-operative employees. Undoubtedly the Conference took a practical view of things and we believe firmly that this will go a long way towards promoting efficiency among all the workers in the co-operative institutions.

In this connection we cannot help making a passing reference to the views expressed by a section of the Press in Madras:

Editorially commenting on the resolutions passed at the Conference, a leading newspaper of Madras observed that the resolutions passed at the Conference "would seem to welcome such degeneration of the movement." The paper referred to the request made by the Conference for State aid either in the form of finance or legislation in some branches of the movement. For instance, the call on the Government to enact suitable legislation for promoting life insurance in the rural areas; the suggestion for the formation of separate cadres for co-operative executives and other employees, and the provincialisation of services of co-operative employees; and the request to the Government for entrusting labour contracts to the co-operative institutions. We do not seek to enter into a controversy with a sister institution on this issue, but we would try to remove from the mind of the public some wrong notions which they seem to hold on the co-operative movement. There are two important points to be remembered in promoting the movement. First, as the President of the Conference stated in his Address, the pace of progress of the Movement depends on the availability of funds and other facilities. In a country like ours where co-operation has yet to be "preached," there is paucity of funds from the public. Dependence on Government for funds or general support is therefore a necessary evil which the movement cannot shake off. Secondly it is not unknown that the attitude of some officials with whom the co-operative institutions come into contact in the course of their business is not helpful and that the private dealer is in many cases the most-favoured person. Could there be any other method to counteract this personal element, save an appeal for State support? We feel, however, that the Press or the Public are not to blame for their opinions. As the President observed at the Conference, the Co-operative Movement has not yet created an "awareness" in the Press or among the public regarding its work. This criticism levelled by the Press is therefore only a concrete proof to this effect. The Co-operative Movement, we suggest, will do well to reach through concerted action and wide publicity the public and impress upon them what this great movement has achieved and can achieve.

We feel, on the whole, that the Conference has done useful work by stimulating thought on some of our vital problems. It has indicated the need for some adjustment between the agricultural and industrial sectors. It has shown the important part

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co-operation can play in the national economic programmes. It has pointed out the need for the State to indentify itself with the Co-operative Movement and for the co operative employees and societies to work in harmony for the movement. Above all it has powerfully appealed for missionary zeal without which the progress cannot be sound.

The event was unique in the co-operative history of the State. It now behoves Co-operators to work out the suggestions of the Conference for the benefit of this "Mecca" and all those who seek inspiration from it.

Felicitations to Sri B. Venkataratnam Choudary :

We have great pleasure to announce that Sri B. Venkataratnam Choudary, President of the Madras State Co-operative Union and the Madras State Co-operative Bank has been nominated by the Governor of the Reserve Bank of India as one of the Directors of the Southern area of the Reserve Bank. Sri Venkataratnam Choudary is one of our oldest and ablest Co-operators; and as the President of numerous co-operative financing institutions at primary, district and State levels has gained rich experience and wide knowledge of financial matters—not to mention his experience in several other spheres of public life. His nomination to the Zonal Board by the Reserve Bank of India is a great honour to the Co-operative Movement itself in our State. We are sure that with his experience and knowledge of financial matters he will help a good deal in the working of the Reserve Bank, particularly on the side of agricultural and co operative finance. We offer on behalf of the Co-operators in this State our hearty felicitations to him.

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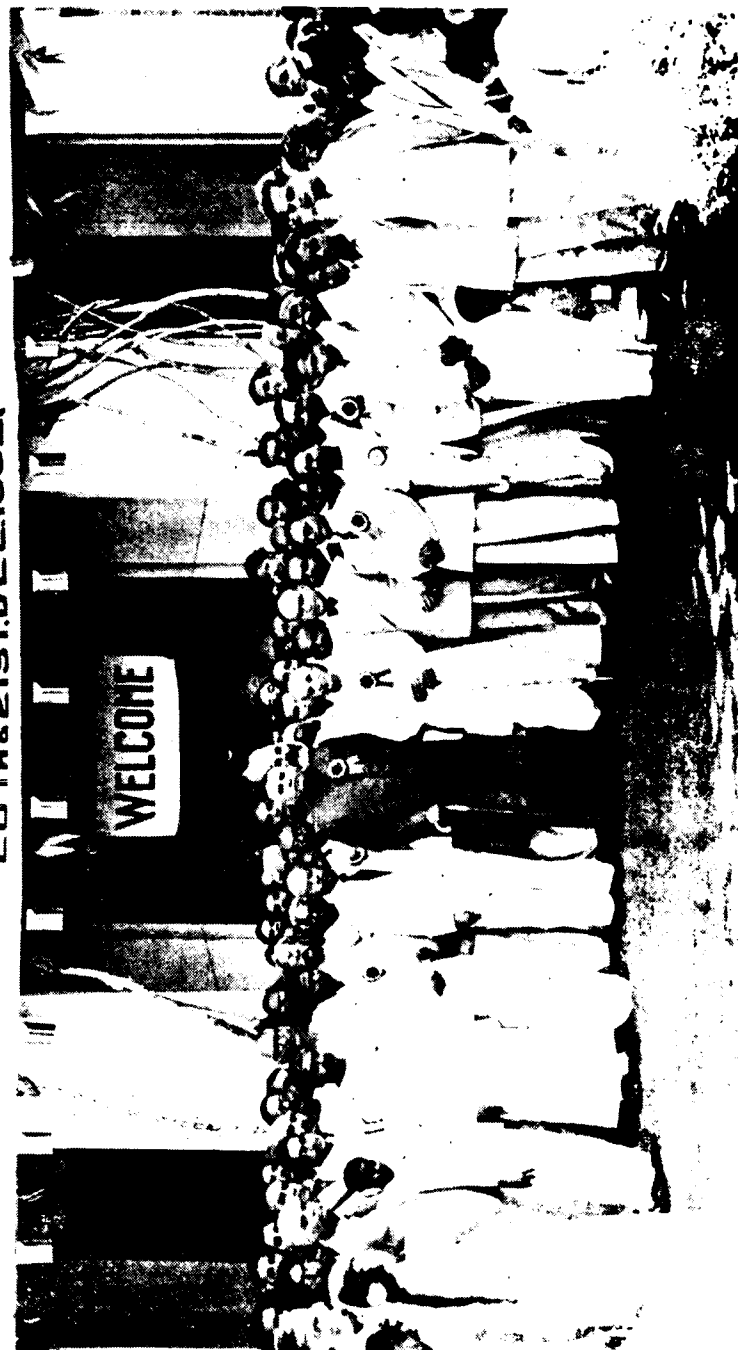
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Sri B. VENKATARATNAM CHOUDARY
President, The Madras State Co-operative Union and
The Madras State Co-operative Bank, Ltd.,
Chairman of the Conference Reception Committee.
(Recently nominated as Director of the Southern Area of the
Reserve Bank of India.)

THE XXVIII MADRAS STATE CO-OPERATIVE CONFERENCE
20TH & 21ST DEC. 1952.



Group Photo showing the Chief Guests, some Delegates and Visitors.

AN APOLOGY

TO THE DELEGATES AND VISITORS OF THE XXVIII Madras State Co-operative Conference

Let me tender my most sincere apologies to the numerous Delegates and Visitors of the XXVIII Madras State Co-op. Conference for my unavoidable absence and inability to participate in the proceedings of the Conference.

No one was probably more eager than I to attend the Conference and re-new old contacts and establish new ones with the brother Co-operators of our State and elsewhere who were expected to attend the recent State Co-operative Conference. It was, however, unfortunate that on account of the serious dislocation of railway transport, I, as many others from the Coastal Andhra Districts, was unable to reach Madras in time in spite of my best efforts to do so. Nor could I establish any telegraphic or telephonic contact with Dr. P. Natesan, General Secretary of the State Co operative Union and express in a personal message, or talk the un-enviable position in which I was placed and the deep regret which I felt due to my having been cut off from all news from the Conference premises. In the circumstances I could not send even my apologies to the delegates and visitors of the Conference.

I learn with grateful thanks that my absence was keenly felt by all my friends at the Conference, particularly in view of the fact that as the Chairman of the Reception Committee, I was to Welcome you all. I felt, however, some measure of relief that Sri D. Mahalingam Pillai, Vice-President of the Madras State Co-operative Union took upon his shoulders my sacred duty of Welcoming you all and performed it with scrupulous care and attention to the details. I thank him for his kind and timely assistance.

I am grateful to the Hon'ble Chief Minister and other speakers and to the delegates and visitors for having given their best co-operation, for having kindly participated in the proceedings and contributed to make the Conference a great success.

I, for my part, feel very much for having missed a unique opportunity to participate in the proceedings and apologise to you all for my failure to be present under the circumstances which were beyond my control.

BIKKINI, VENKATARATNAM,
Chairman, Reception Committee.

The Chairman and Members of the Reception Committee of the XXVIII Madras State Co-operative Conference deeply regret the absence of many delegates and visitors from some of the Coastal Andhra Districts who were unable to attend the Conference on account of the unfortunate and sudden dislocation of railway transport there. They also express their regret that it was not possible to postpone the Conference at such a late hour after having made complete arrangements for holding the session on the two days as programmed. The Organisers earnestly hope that this action on their part will not be taken amiss by the delegates and visitors affected. Mention was made more than once at the Conference about the unfortunate circumstances and the consequent absence of the Andhra brother Co-operators from the Conference.

Reception Committee.

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President.

XXVIII Madras State Co-operative Conference

20th December 1952

ADDRESS

BY

THE HON'BLE SRI D. SANJIVAYYA,

*Minister for Co-operation and Housing, Government of Madras,
on the occasion of Hoisting the Co-operative Flag.*

Mr. President, Ladies and Gentlemen,

I have very great pleasure in associating myself with this Twenty-eighth Madras State Co-operative Conference and I thank the organisers for assigning me this pleasant duty of hoisting the Co-operative Flag. As the Minister in charge of Co-operation it is but natural for you to expect me to participate in the Conference and give you some advice as to the future course the movement should take in this State. But I may tell you quite frankly that I am participating in this Conference not so much as a member of the Government destined to direct the future course of the movement, as the guardian of its interests and progress; and in this latter role it is I who expect sound and valuable advice from this Conference based on the long and varied experiences of the delegates assembled here.

I understand that the last Conference was held some three years ago. As you all know many changes have taken place during these three years in the socio-economic life of our State as of the rest of India. The rural economy of our country is rapidly undergoing a vast change, and co-operation, if it is to play its destined role, must keep pace with the rapidly changing times. It must discard its old clothes and dress itself in a newly cut garment to be recognised as the leader of the coming economic revolution. A re-orientation of the movement seems therefore necessary. The haphazard and spasmodic development of the movement must give place to a well-thought-out and planned scheme, which should cover the entire field of economic activities of the agriculturists. It is a well-known fact that the agricultural industry in this country is disorganised. With the present uneconomic holdings and their fragmentation, with scanty means of irrigation, with paucity of capital to stand agricultural enterprises on any large scale, with lack of technical knowledge to take advantage of the scientific methods of production and so on, agriculture so long remained a small scale industry. If we want to develop our agriculture on scientific lines, our agriculturists must have

organising skill and ability. It is needless to say that the agriculturists cannot possess this skill and ability individually. Only co-operative organisations can provide the agriculturists with the skill and ability to organise their industry. Every village should have a co-operative society to cater for all its economic and social needs. If it is not able to look after all the requirements of the community it may set up branch societies for various purposes. These societies should concentrate on organising agricultural production. They should adopt all measures and provide all facilities to cultivators to obtain the largest possible yield per acre from their land. They should arrange for the co-operative marketing of the produce of their members and should provide their daily necessities of life at the cheapest possible price; in short they should carry out a clearly defined programme of rural development to suit local conditions.

I do not wish to inflict upon you a lengthy speech. In fact the need of the hour is action and not speeches and more speeches. But please bear with me for a few more minutes to say something about the Co-operative Flag which you have asked me to hoist. Our memory to-day goes back to the gentleman who conceived the design of the flag. It is said that Fourrier suggested that the Co-operative Flag should have the seven colours of the spectrum. The International Co-operative Alliance decided in 1923 that it should have a flag with the seven colours of the Spectrum. The actual design of the Rainbow Flag was not immediately decided but experiments were made in different countries to produce a flag in seven colours. I understand that this is being followed in our State thereafter though there is, as yet, no authoritative pronouncement on the subject. The Co-operative Flag is having all the seven colours of the rainbow. The whole world is depending on the sun which shines with these colours. Though seen as seven colours, visualised as a whole, it is only one colour *viz.*, white. This is the very criterion in our co-operative movement. There are no differences of colour, caste, religion, sect or section in "Co-operation". It is pure as white and is inclusive of ideas of social service, international brotherhood, social justice and kindness.

I once again thank the organisers of this Conference for the honour done to me in asking me to perform this pleasant function. On my part I assure you that I shall give my best consideration to the suggestions the Conference may make. In conclusion, let me offer all the co-operators who have assembled here my best wishes for the success of their deliberations.

"JAI HIND."

XXVIII Madras State Co-operative Conference

WELCOME ADDRESS

SRI B. VENKATARATNAM CHOUDARY

*President, The Madras State Co-operative Union;
Chairman of the Reception Committee.*

Hon'ble Chief Minister, Hon'ble Ministers for Co-operation and Finance, Sri Shyam Nandan Sahaya, Dr. Lakshmanaswami Mudaliar, Dr. Narayanaswamy Naidu, Sri Ryan and other Brother Co-operators,

On behalf of the Reception Committee of the XXVIII Madras State Co-operative Conference, I offer you a warm and hearty welcome. I earnestly request you to feel at home here and enjoy our simple yet sincere hospitality. It was in December—January 1949-50 that the last Conference was held in this very premises, and my Reception Committee and I had the privilege of welcoming brother Co-operators who had come from several parts of this Province and its neighbourhood. I much wish we could hold this Conference earlier than now. But unfortunately this could not be done for various reasons, the most important of them being the coming off of the General Elections during February 1952 and of the Indian Co-operative Congress in Bombay in the same month. Some of our friends felt that, at a time, when the co-operators and other public men would be very busy with other affairs elsewhere, it would not be desirable to hold the State Co-operative Conference. Consequently the holding of the Conference had to be postponed for some time; and I am glad that it has been possible for us to convene the Conference now.

Let me here express my deep sorrow and sympathy at the sad demise of some veteran co-operators of our State within the last two years: I mean the demise of Sri T. A. Ramalingam Chettiar, Sri K. A. Nachiappa Gounder, Sri S. K. Yegnanarayana Iyer, Sri G. Sri Ram Babu Naidu and Prof. H. L. Kaji. Few there are here in this august gathering, that were not acquainted with Sri T. A. Ramalingam Chettiar. Sri Chettiar filled very ably the vacuum created in the Movement by the demise of the Hon'ble V. Ramadas Pantulu in 1944 and had since guided the Movement with distinction until early this year cruel Death snatched him away from our midst. He was an all India personality in Co-operation, and had done a good deal for the promotion of the Movement in the country. He was the leader of the Movement in South India. We, co-operators of this State, are particularly attached to him for the great service he had rendered in various capacities—as the President of the State Co-operative Bank and of the Madras Provincial Co-operative Union and an important office-bearer in a number of co-operative institutions at State and

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regional levels. He was no less conspicuous in other walks of life : For instance, he was the President of the Madras Provincial Union of Panchayat Boards for a number of years, a Member of the Constituent Assembly and a Member of the Parliament in which capacity he won the unique distinction of having been returned unopposed from his constituency. He was connected with a number of Committees constituted by Government and co-operative institutions, and acquitted himself very creditably in the discharge of all his responsible public duties. Some of us who are assembled here might remember how with him in our midst to advise us, we could make the last Provincial Co-operative Conference a great success. How we wish he were here now amidst us in flesh and blood so that we might have again the benefit of his counsel in our deliberations ! But alas ! he is no more !

Among the other co-operators I have mentioned above, Sri K. A. Nachiappa Gounder was not unfamiliar to my colleagues who hail from Tamil Nad as well as those, who hail from some other parts of this State. Sri Gounder had been for several years actively connected with a number of co-operative institutions at State and District levels. A veteran in the co-operative field, he had contributed much to the development of agricultural marketing in his own district, and to strengthen financially and otherwise the Central Bank at Salem of which he was the President. A great enthusiast in public work, he was on many Committees appointed by the State and Central Governments, and also a legislator for a considerably long time. His devotion to service could be seen from the fact that in spite of indifferent health for some months he could not dissociate himself from public work, with the result that even while in harness he had been snatched away. Sri S. K. Yegnanarayana Iyer was one of our oldest veterans in the field. A teacher by profession, he saw even during his early age the prospects of co-operation among consumers. He devoted himself mainly to the promotion of consumers' co-operation. He was one of the Founders of the Triplicane Urban Co-operative Society and for a long time its President and Managing Director. He was connected with the Madras State Co-operative Union and various other institutions and was a familiar figure to co-operators not only in Madras State but elsewhere in Mysore and Travancore. Sri Sriram Babu was also a prominent co-operator having been for some time the Treasurer of this Union and the President of some local co-operative institutions. It is very unfortunate that we do not have these fellow co-operators amidst us on this day so that we may have the benefit of their advice. I am sure they will all be remembered in this State for their valuable service to the Movement.

On this occasion we cannot but recall with deep sorrow and sympathy the sad demise of Prof. H. L. Kaji, President of the Indian Co-operative Union, a few months ago. Prof. Kaji, as you all

WELCOME ADDRESS

know, held the Presidentship of the All India Co-operative Associations after the demise of Sri V. Ramadas Pantulu and had done much to maintain the dignity of the non-official co-operators and also the amalgamation of the official and non-official sections of the Co-operative Movement into one co-operative brotherhood. His sad death has removed a good leader of the Movement in the country.

May their souls rest in peace !

You may remember, gentlemen, that when we met last, the economic conditions of our State were by no means encouraging. The Coastal Andhra, the granary of the State, had been devastated by a cyclone, and Tamil Nad and Rayalaseema were under an acute drought. The severity of suffering of the people in either case could be read on the very faces of the delegates who had assembled at the Conference. Friends, I regret to state that conditions have not since changed for the better. There has been a persistent drought in various parts of this State—the deltaic tracts included—with the result that there has been an acute shortage of food and other necessities of life. There is actually a famine in some areas. An equally great havoc has now been caused by the recent cyclone in the south where vast areas have been devastated and thousands of persons made homeless. We are, therefore, faced with the grave problem of helping ourselves out of the situation. It now behoves us to make a bold endeavour to meet the situation; for, ours is a Movement which aims at helping the poor and the needy, the man of small means, not only during a boom but also when there is an economic set back. I therefore appeal to you to think out ways and means of extending a helping hand to all those who look for succour from us. In this connection let me express our grateful thanks to the Government for what they are doing to help our suffering fellowmen in Rayalaseema and other famine-stricken areas. I am sure that with the helping hand of the Government we shall be able to tide the crisis.

We have ample evidence of the helpful attitude of the Government in the presence of some Members of the Madras Cabinet here. The Co-operative Flag has been hoisted by the Hon'ble Sri D. Sanjeevayya, Minister for Co-operation and Housing. A great enthusiast, he has now come into our Movement and is evincing a great deal of interest in promoting it. His benign influence, I dare say, is being felt by numerous co-operators and co-operative institutions. We welcome him into our midst at this State Conference which is probably the first for him to attend.

It is a matter of great pleasure to us that this Conference will now be opened by the Hon'ble Sri C. Rajagopalachariar, Chief Minister of Madras. Sri C. Rajagopalachariar is one of our oldest and ablest leaders and has done work of inestimable value in various fields of our national life. An able administrator who had been the head of the country for some years, he has to his credit a fund of

wisdom and wealth of experience. As the Hon'ble Chief Minister of our State, he is closely following its various social and economic trends with a firm determination to remove poverty and place the common man on the road to prosperity. It is our great fortune that he has found time to be here amidst us on this occasion to participate in the proceedings, to understand our various problems and to give his valuable advice on all matters in which we seek the co-operation of the Government.

I am grateful to Sri Svamnandan Sahaya for his having consented to preside over this Conference. He is one of our colleagues in the co-operative field, and, both as the Chairman of the Bihar State Co-operative Bank and the Vice-Chancellor of the Bihar University, has gained wide experience in nation-building activities. Co-operators remember how, at the last Conference, Sri R. G. Saraiya, Chairman of the Bombay Provincial Co-operative Bank, presided and guided its deliberations and gave us his valuable suggestions. I am sure that at this Conference Sri Sahaya will guide us likewise and give us his valuable advice based on his experience with the Movement in his own State and his comprehension of the conditions obtaining in this State.

We have amidst us now another great educationist—Dr. A. Lakshmanaswami Mudaliar, Vice-Chancellor of the Madras University. Dr. Mudaliar is a veteran not only in his native province of medicine but also in the sphere of education. He has done a great deal to promote education among all classes. We are fortunate in having him here to open the Cottage Industries Exhibition. It has been said that the Co-operative Movement is suffering for want of proper education among the masses. I am sure that this great educationist will impress upon co-operators the ways and means of developing the educational aspect of the Movement.

I have already mentioned to you how we feel the absence of the late Sri T. A. Ramalingam Chettiar. It is the desire of the Madras State Co-operative Union and some other Co-operative Institutions to honour the memory of the departed leader by having his portrait to adorn the premises of their institutions. It is proposed to honour him by having his portrait unveiled on this occasion by no less a person than the Hon'ble Sri C. Subramaniam, Minister of Finance. Sri Subramaniam who hails from Coimbatore is one who intimately knew Mr. Chettiar in public life. It is a proud privilege to us co-operators that Sri Subramaniam should be here amidst us for unveiling the portrait.

Here, we have, therefore, on this dais, an array of high lights in various walks of national life. This makes this occasion unique and my brother co-operators here will, I know, feel immensely happy to associate themselves with them.

This occasion is unique in other respects too: For we are on the eve of great changes in our national life. For one thing the Government of India have pledged themselves for the establishment of a Co-operative Commonwealth in the country. Secondly the grand National Plan with its estimated expenditure of Rs. 2,000 crores in five years for the all round development of the nation is shortly to be executed. Thirdly we have the hundred-crore rupee Community Development Programme planned by Indo-American Co-operation for a three-year period already in operation in some 55 projects in the country. There is thus the prospect of nation-wide activity of an intensive type during the coming five-year period, to attain the goal of Co-operative Commonwealth. Here is an opportunity for the Co-operative Movement to press itself on the attention of the Government and the nation and offer its earnest co-operation in the national endeavour. Could there be a better occasion than this State Co-operative Conference for considering ways and means of dovetailing our activities with those of other States and Institutions?

Even at the last Conference we showed a deep concern at the unsettled conditions of our economic life caused by inflation, soaring prices, high cost of living, partial controls and rationing, hoarding and black-marketing. How we wished for an early return to normal conditions of life! But unfortunately it proved to be wishful thinking. And conditions are very nearly the same as before, the only change consisting in the recent removal of the controls on food-grains and cloth in our State.

In a way this food decontrol has helped us, the Reception Committee inasmuch as it has enabled us to show a larger measure of hospitality to our delegates and visitors, who, during our last Conference, had to be kept on rations. It is, however, too early to judge the general effect of the decontrol policy on the State. While we hear with pleasure of a fall in food prices in some quarters, we learn with pain of a steep rise in other areas. At any rate the Co-operative Movement has felt that this sudden change in State policy has rudely shaken its stores limb. The consumer co-operatives are one of our strongest limbs accounting for an annual trade of about Rs. 50 crores. Their business having been badly dislocated due to accumulation of huge food stocks, they have become a source of great pressure on the co-operative financing institutions.

At the same time the money market has become tight, the rise in the bank rate having aggravated the condition. In consequence the Co-operative Central Banks' Conference held in July this year under the auspices of the State Co-operative Bank had to review the situation and revise its loan policy in view of the new conditions.

It is now of the utmost importance to reconcile the various trends of finance, industry and trade. A number of agencies are at it:

For instance the Government of India. They appointed a Rural Banking Enquiry Committee for devising ways and means of tapping rural capital to finance our trade and industry. The Report of the Committee of which our Registrar, Sri J. C. Ryan, was an esteemed Member, has recommended the inculcation of the banking habit in the rural classes and the institution of a multiplicity of banking agencies including co-operatives for receiving deposits. The Reserve Bank has now undertaken an elaborate Rural Credit Survey so as to assess the credit needs of the rural classes, their various sources of credit and the price they pay for obtaining it. The report is not yet ready; but it is hoped that this survey will indicate the *pluses* and *minuses* in the budgets of the agriculturists. Coming nearer home we find that the Registrar of Co-operative Societies, Madras launched last year, in pursuance of a Resolution of the last Tamil Nad Co-operative Conference a rural savings drive with a target of Rs. 2 crores and has succeeded in collecting Rs. 1.06 crores in three months.

This has led some of our friends to believe that the dweller in the countryside really has a surplus income which could be drawn and diverted towards national needs if only there were a proper banking agency for the purpose. But my experience with the countryside prevents me from sharing this view with them. Being an agriculturist and a dweller in the countryside myself, I have devoted considerable attention to this problem. My close connection with the rural credit institutions has helped me much in my study of the situation. My personal knowledge of the conditions particularly in the deltaic areas has convinced me that the prosperity of the rural classes is only apparent but not real and that the existence of a surplus is a myth. The abnormally high cost of production coupled with the steep rise in the cost of living of the average agriculturist or rural artisan is out of all proportion to his income. The rural dweller's prospect of a large income has merely served to entice and carry him like a mirage farther away from the hard realities of his life into the land of indebtedness.

We have figures to speak for these facts: Dr. B. V. Narayana-swami Naidu (now Member of the Tariff Commission) showed in his Report on Rural Indebtedness in Madras in 1945 that from 1939 to 1945 the rural debt was reduced from Rs. 272 crores to Rs. 218 crores which meant a reduction of 20 percent only in six years and that too at a time when the agricultural price index stood over 250. This was obviously due to the fact that the cost of production and cost of living rose more sharply than the cost of the produce. The cost of the factors of production like labour, fertilizers and cattle ranged between 300 to 700 percent while the rise in the cost of living was no less marked. The bulk of the agricultural population consisted of petty holders, tenants and landless labourers and it was they who suffered acutely. It could be seen from a statement of

percentage share of total debt of each class given in the Report that while the share of debt of big and medium landholders fell during the six years from 58 to 52 percent, that of the petty holders, tenants and landless labourers rose from 42 to 48 percent. These figures relating to 1945 are self-explanatory. There does not seem to have come any appreciable change in the position for the better since then though unfortunately there are no relative statistics readily available with us. On the other hand I strongly feel that if a survey is conducted a worse debt position will be indicated. The Rural Credit Survey of the Reserve Bank of India may be helpful in this direction; but it may take time for the Report to reach us on account of the magnitude of the undertaking. It appears therefore, highly desirable that in the meanwhile the Government of Madras should carry out through the Economic Adviser a random sample survey on a regional basis in the State, taking some three villages from each of the three classes of regions, namely deltaic areas, minor irrigation ones and purely rain-fed ones. I appeal to the Government to give their serious consideration to this matter, so that the results of the survey may throw some light on the present position.

That our rural classes are still faced with deficit budgets seems to be pretty clear even from their dealings with the co-operative banks. Taking our own State of Madras, we find that the short term borrowing has increased from Rs. 6.44 crores in 1949-50 to Rs. 7.65 crores in 1950-51 and the long term borrowing from Rs. 388.32 lakhs to Rs. 452.63 lakhs during the same period. Whatever the purpose, borrowing seems to be on the increase; and this should suffice to remove from our minds the idea that considerable surplus capital is lodged in the hands of the rural classes.

It is in this context that I appeal to you all to study the economic condition of the countryside. The rural classes are not in a position to contribute financially to the national development programme. All the same much capital is essential for carrying on the programme; and the view recently expressed by the Hon'ble Minister for Finance at the Centre that for national development programme, the capital should be found from the revenues of the State has caused considerable concern in the country. The agricultural classes are not only groaning under the burden of debt and taxation but also suffering from a permanent deficit agricultural industry. I honestly feel that this is the most fundamental defect in the structure of the agricultural industry, which in the earliest possible time ought to be set right by the State and by expert agricultural economists, by finding out ways and means of making the agricultural industry at least self-supporting. I honestly feel also that any fresh imposition is sure to be the last straw to break the camel's back. I therefore take this opportunity to appeal to the Government to take a more sympathetic view of the situation and save the rural dweller from fresh levies. In this context, I am constrained to observe that when everything is being done on scientific

methods and statistical basis, the taxation policy of our State Government is going on in an off hand method. It is high time that we bestowed adequate attention on our taxation policy and revised it properly.

While the Co-operative Movement which is essentially a Movement of the agriculturist and the artisan may not be able to provide capital for large national undertakings to the extent expected of it, it can, however, contribute its quota in other forms: For instance, it can help and save the man of small means from the clutches of the merchant-money lender; it can bring the producer and consumer into the same fold for self-help and mutual help; it can promote cultural progress in the Co-operative community; and last but not least it can help promote development of character and personality of the individual. These are no mean contribution to national development; and, I dare say, it is the Co-operative Movement that is best suited to achieve them.

Coming to the various details of the working of the Movement, with the expansion of the Movement in various directions, there have come into being numerous general and local problems of a complex nature. I shall not enumerate them all here but shall only endeavour to indicate the general progress achieved and the problems facing us in the more important branches of co-operation.

I have already mentioned to you the dislocation of the trade of the stores due to decontrol of food grains. The business of the wholesale stores has shrunk very much, while many primary stores have been obliged either to close down or to linger on. The course to be adopted by the Stores in the circumstances was considered in July this year by a Wholesale Stores Conference convened by the Registrar, and it was suggested that they should adopt diversification of trade by introducing new lines like trade in non-controlled goods, processing and production of certain articles in common demand. It is nearly a half-year since the Stores met. The future policy of the Stores in the present conditions has now to be decided by this Conference with due regard to the interests of both the central and primary institutions.

Another important question which also demands our immediate attention is the protection of the weavers of whom a fourth are now in our co-operative fold. The suffering of the weaver has become rather proverbial; for he is tossed helplessly by the vagaries of the textile industry consisting now in a scarcity of yarn and now a glut in the cloth market. He is now facing a critical situation. The news papers are replete with pitiful reports of the sufferings of some of these unemployed artisans and their hunger marches in many parts of the State. Thanks to the Government of Madras, an earnest endeavour is being made by Government to relieve their distress. It

is no exaggeration to say that the problem of the weaver is now engaging the best attention of the Government. Who are not aware of the negotiations between the Madras and Central Governments regarding the reservation of sarees and dhoties for the handloom? We owe a deep debt of gratitude to our Hon'ble Chief Minister, Sri Rajaji, for his espousal of the cause of the weaver and his firm resolve to better his condition. The ushering in of the relief scheme is a concrete proof of State interest in the weaver. This scheme, however, entails a financial investment of about Rs. 50 lakhs by the State Co-operative Bank through Central Banks. Unfortunately the Imperial Bank of India have not found it possible to come to our aid in this matter, even under Government guarantee. The State and Central Banks have therefore to stand on their own legs to meet this demand. The Central Banks Conference held in July recommended that the Government might be requested to provide the necessary finance in the circumstances. I appeal to this Conference to consider the matter in a comprehensive manner and suggest how the weaver could be helped really in the present conditions.

One new line of co-operative endeavour which has evoked considerable public interest is co-operative housing. Proper shelter is a common need of all classes and hence the popularity of this type of co-operative activity. We have as many as 293 co-operative housing societies in this State but their progress has not been rapid for various reasons. A number of common problems and local ones tended to slow down their pace of progress. A Conference of Housing Societies at State level was therefore convened, in June this year, by the State Co-op. Union and various problems were discussed and conclusions arrived at. The suggestions of the Conference are still under the consideration of the Government. Housing is an activity which entails a large expenditure. We understand that against an estimated requirement of Rs. 80 lakhs for the current year, only Rs. 65 lakhs has so far been sanctioned by Government to the Registrar for utilisation for promoting the construction work of the societies. Promotion of this activity is doubly important. For one thing it is a primary necessity to relieve congestion and improve public health in urban and rural areas; secondly many persons have invested thousands of rupees in the shape of share capital etc. and any slackness in the pace of progress of the societies is sure to shake their faith in the efficacy of the movement as a means of providing the essentials of life. I therefore appeal to the Government to take a sympathetic view in the matter and help the societies with adequate funds for carrying on their work without handicap. In this connection I appeal to the Co-operators and the Government of Madras to think seriously about the urgent need to construct cheap houses for *Harijans* in rural areas through co-operative agency. Though this involves considerable effort on the part of both the co-operators and the Government, I feel very strongly that this is the only course to raise the self respect of our *Harijan* brothers and

make them feel that they are amongst us. In view of its socio-economic importance I wish and hope that this matter will be given top priority in the schemes of *Harijan* uplift in our State.

We find a fairly large measure of success in some other lines of co-operation. For instance, the milk trade. Milk is a common article of food; and there is always a demand for genuine milk among the consumers. Milk supply co-operatives of which there are as many as 650 in the State, have been able to give satisfaction to their consumers and there is a bright future for co-operative dairying provided there are facilities for live stock breeding and improvement. One important handicap to the co-operative milk trade seems to be the apathy of some institutions towards the co-operative society. For instance we hear reports of some local hospitals having wilfully sought to encourage private enterprise as against the societies. If this is true, it is indeed unfair to our societies. I appeal to the Government to exercise a strict vigilance over such cases so that the milk societies may have a fair treatment and a fair chance to serve their customers better. The Government could also directly help the co-operative milk trade by granting them exemption from sale tax. It is hard that while the private dealer is free from such a levy, the co-operative institution should be made to pay the tax, in some cases at two points, i.e. at the primary level and the federation level. Representations have been made to Government time and again in this behalf but in vain. I appeal to the Government to reconsider the matter at least in the interests of the poor consumers who get the ultimate benefit of any such exemption.

There are other fields of co-operative activity where new strides are noticeable. For instance in multi-purpose co-operative activity. You remember how since 1949 there has been a very earnest endeavour both on the part of Co-operative Department and non-official leaders to promote multi-purpose co-operative activity by reorganising the existing rural credit societies into multi-purpose ones and also by organising new multipurpose societies so as to bring 50 per cent of the villages and 30 per cent of the population in the State into the co-operative fold. The scheme is an elaborate and comprehensive one and is vigorously pursued, under the able drive of the Registrar of Co-operative Societies. Yet it has been in operation rather for too short a period to judge the results. It is however our duty to see that success is achieved in this branch of co-operative activity also on account of the intensive and extensive nature of the scheme.

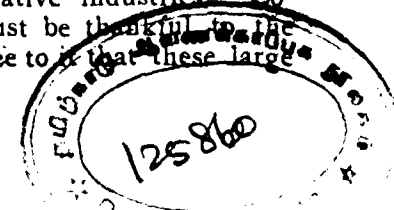
Secondly, some good work has been done in rehabilitating ex-tappers and resettling ex-servicemen. The ameliorative work among the ex-tappers and ex-addicts consists in the provision of alternative occupations like palm jaggery making, cottage industries, and milk supply and also the provision of beneficial recreation like sports.

The ex-servicemen have some motor-transport societies, land colonisation schemes, and industrial workshops. Though the progress in these directions is not inconsiderable yet there is a good deal more to be done to place these ex-tappers and ex-servicemen in really good socio-economic conditions of life. It is our duty to consider how best this could be done.

Thirdly, I may mention agricultural marketing. Thanks to the efforts of the Registrar, some of the marketing societies, like the one at Dindigul have conducted successful experiments in international trade in commodities like onions and chillies, bringing benefit both to the producer at home and the consumer abroad. It appears desirable to extend this trade to other commodities like pepper and copra. I hope this Conference will discuss this matter and give valuable suggestions for promoting this line of trade.

While the Co-operative Movement has embraced every line of trade and business in our State, I feel that it has not yet kept up a satisfactory pace of progress in some branches like cottage industries and insurance. In our State there are only some 270 cottage industries societies with a membership of about 30,000 and an annual business of about Rs. 44 lakhs. We cannot honestly call it satisfactory. When I had been to Bombay in February this year, I had the privilege to notice there the progress of the industrial co-operatives and their apex institution—the Bombay Provincial Industrial Co-operative Association with an annual business of several lakhs of rupees. We have yielded the place of honour to Bombay in this respect. It now behoves us to work up more vigorously to recover the lost ground. One way of stimulating activity in this direction, I suggest, may be the organisation of a State apex institution for the industrial societies. I appeal to you all to consider this problem in view of its vital relation to the national development programme.

In this connection I may mention to you the experiments that are being made to promote co-operative industrialisation on a large scale in our State. With a view to help at least some of the weavers in obtaining yarn at fair price, the Madras Handloom Weavers' State Co-operative Society is actively organising two spinning mills in the State. One of them is expected to start working in a few months. Secondly we have a Co-operative Sugar Factory at Etikoppaka, (East Godavari) with a crushing capacity of 450 tons. With a view to make this venture a success, the State Co-operative Bank has come to its aid by advancing Rs. 28 lakhs. This in the first large scale co-operative venture of this sort in our State and the State Co-operative Bank is resolved to do its best in the direction of promoting successfully large scale co-operative industries. Co-operatives and Co-operators in the State must be thankful to the Bank for its earnest efforts and should also see to it that these large



scale co-operative undertakings are made successful so that many more may follow.

Even in the field of co-operative insurance where the principle of self-help and mutual help is noticeable in its fullest sense, there is a strange lack of popular co-operation. Our insurance societies have not progressed as well as other private companies. This important problem drew the attention of the Indian Co-operative Congress at the Auxiliary Session in Bombay early this year but unfortunately the discussions were not conclusive. I therefore request this Conference to give its best thought to devising ways and means of impressing upon the public the superiority of co-operative insurance over the other types and also promoting co-operative insurance by linking it to normal transactions of other types of co-operatives.

Gentlemen, you will agree with me that while we notice a diversification of co-operative activity into non-credit lines, credit still holds a predominant position in the Movement in our country. Of the three types of credit,—short, medium and long-term credit—short term and long term credits have achieved some measure of progress, while medium term credit has been somewhat neglected. Nevertheless the need for medium credit to the agriculturist and artisan is increasingly evident. The Central Banks Conference has requested the Reserve Bank of India to provide this type of credit by amending the Reserve Bank of India Act suitably. Thanks to the Reserve Bank of India and the State guarantee of debentures, the short and long term needs of the agriculturist are being met in some measure. It is highly desirable that this Conference should recognise this want of medium term credit facilities and solidly request the Reserve Bank of India in this behalf.

Friends, Co-operative business and trade apart, there is another vital problem on whose solution the progress of the Co-operative Movement very largely rests—I mean the problem of the co-operative employees. The employees are a vital part of the co-operative machine. And this machinery should be made to work smoothly by means of our fundamental principle *viz.* co-operation. Any outside laws or interference dislocates this co-operation. Hence I request both the institutions and the employees to feel that they are one and the same part of the co-operative body politic in spite of the fact that the latter receive remuneration for their services. At the same time I request the institutions to make their own rules or bylaws in consonance with the existing outside laws and the spirit of the times. With this spirit I feel that the Shops and Establishments Act need not at all be applied to co-operatives as the latter are prepared to make their own laws in accordance with the spirit of this Act. It is from this view point that we have for long been patiently striving our best to impress upon the Government the desirability of exempting co-operatives from the operation of the Act. We have not so far succeeded, but the matter, I am glad to state, is under the active consideration of the Government.

WELCOME ADDRESS

A more lasting method of obtaining the willing co-operation of the employees probably consists in our approaching their problems and trying to remove their disabilities. I therefore appeal to you to discuss how best their co-operation could be obtained so that they may identify their interests with those of their societies and help build solid institutions and a solid Movement.

Brother co-operators, our success in the co operative field depends on the degree of co-operative consciousness developed in those who are in the fold. A successful Co-operative Movement is one which has created a proper mental climate for its promotion. It is otherwise called the co-operative ethos. Here I am reminded of the suggestion made a few months ago by Sri J. M. Lobo Prabhu Secretary, Development Department, that an external symbol would go a long way towards creating a co-operative consciousness in the members and workers. It is indeed so but it could be achieved only by education and propaganda. The Madras State Co-operative Union, as you all know, is devoting itself to work in such useful directions. Let me hope that with your earnest co-operation—both financial and otherwise—it will be possible to impart this sense of solidarity to the Movement in our State.

One word more. The Co-operative Amending Bill has been before the Government for some years and is yet to come. A comprehensive piece of legislation like the one under consideration can offer a better scope for the Co-operative Movement to develop itself into a real democratic movement. I therefore request the Government to consider it without any more delay.

Gentlemen, I will not take any more of your time. I greet once again our distinguished guests and request our beloved Rajaji to inaugurate the Conference and Shri Shyamanandan Sahaya to preside and conduct the proceedings.

JAI HIND

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The Reception Committee awaiting the arrival of the President



Prayer



RAJAJI Inaugurating the Conference

INAUGURAL ADDRESS

THE HON'BLE SRI C. RAJAGOPALACHARIAR,
Chief Minister, Madras

Ladies and Gentlemen,

I had been asked to open this Conference. You are all aware that this is a season of Conferences. There is not much that is really important which could be said by me in this connection not only about co-operation as it is practised but also about the history of the movement. A history of the movement in the State and its usefulness and importance, you will know from the speeches that will be made here today. You have in all these conferences the process of hard patient work. Whether it is co-operation or social welfare or education or child welfare—all movements really need hard and diligent work and patience. But occasionally we have to hold conferences when the workers want a little relaxation and a piece of instruction. They could fix a particular date and all people who hitherto work take the annual stock. All visitors more or less are busy. I wonder if anything is achieved by conferences of this kind. We go home completely satisfied with ourselves. With due respect to those who have organised the conferences, I make these remarks just to provide some amusement to you. In these days we are not satisfied with the provincial conferences. We want all-India conferences for everything. All sorts of things are explained at such conferences—even how to feed the children. I am not exaggerating when I say that there are children's movements and they have an All India Children's Organisation. Furthermore we are having International Conferences also and people of the world want to meet in some place or other.

Originally exhibitions and conferences were started no doubt for instruction—good intentioned instruction. But it has developed into a regular technique now. I know some people who move about from one exhibition to another exhibition. Exhibitions are becoming regular business especially in the month of December. These people move from one conference to another conference. On the whole, if you do not take me too seriously, I would say that conferences reduce the total amount of work put in any particular movement instead of really adding to the work. In these days when all education can be done by literature, by something which could be propounded, explained and distributed, it is hardly necessary to travel and meet in a place and hold conferences. It is the opinion

of an old fashioned man like me. We can educate ourselves and get information without spending so much money over conferences.

Some people say, with a great deal of truth, that something can be achieved by personal contact between workers from all parts of the country. With a single faith and single urge in their minds, experienced people proceed in a particular direction, when they meet together. *There is a new force generated by personal contact which strengthens their faith in that way.* There seems to be something very good in it, and that is why I must congratulate you and give my best wishes to the people who have gathered here in spite of my observations with regard to the extra fuss and waste of money involved in these conferences. Nothing can be achieved in the world in these days without a great deal of fuss and expenditure. Another feature of the conference is that the organisers generally look out for a man from outside his own Province, to preside on such occasions. They ask some one to come here and then they have an insight into the personality brought up in a different atmosphere altogether. I know the President of the Conference who has come from Bihar where there are big temples and which was the birth place of the Lord Buddha. I used to meet him in the Parliament in New Delhi. He had helped me and sometimes also spoke from the Opposition Benches. I know him very well.

For most of you Bihar seems to be a strange part of the country. Bihar has its own history. It is the birthplace of Buddhism and a centre of pilgrimage for all people who come from all parts of Asia, and moderners find something curious in the temples there. A Hindu is in charge of those Buddhist Temples and the foreign Buddhists question the propriety of a Hindu performing the religious duties. I am glad they have not made too much fuss of their difficulty. In those days, when people made everything really great, as in Ajanta, they built great temples in Bihar. In Mysore also they have got great statues, huge pieces of art. In these days we do everything small, but in those days they had sufficient time and crafts-manship to make such huge statues. We are all busy people and that is why we try to do something in a small way. We cannot build even small structures satisfactorily. In these days, however we talk of movements. These are days of movements.

The co-operative movement was started in my own time, I being old enough to know the origin. I know Sir P. Rajagopalachari,

Sir M. Ramachandra Rao, Sri V. Ramadas Pantulu, Sri T. A. Ramalingam Chettiar and Sri T. Adinarayana Chettiar were pioneers of the movement here. Co-operation first started in Europe several centuries ago and then it was taken up in India about the year 1892 or 1894. The Government of India started the movement; and it was handed over for further and detailed study of principles to a member of the Indian Civil Service—a *Rishi*, if I may call him so. He was Sir Frederick Nicholson. He lived the life of a *Rishi* in Salem District. He died a patriot, a lover of India and a servant of India. He worked out the details of the movement in India. He submitted his report, and based on his recommendations in the State of Madras in 1904, the Co-operative Societies Act was passed on an all-India level. At that time I had already done four years of practice at the bar. The movement was vigorously taken up all over the Province. The great men who took charge of the movement were splendid people. They spared no pains. Salem was one of the good parts in the early plantation of the co-operative movement. The 1904 Act was followed by another Act in 1912 which made a difference between rural societies and urban societies. They provided unlimited liability for rural areas and limited liability for urban co-operative organisations.

I am entitled to open this Conference because I have done something for co-operation. In 1906, some 27 of us in Salem put in an application for starting a Co-operative Bank and I was one of its first members. Three years later the District Central Bank was started. I was one of its first 7 directors. I put my first earnings in that Bank. From 1904 to 1918, I also served as the President of the Bank.

Mr. Adinarayana Chettiar is one of the fathers of the Co-operative movement in Madras. He was one of the chief disciples of Sir Ramachandra Rao and Sir P. Rajagopalachari. He so much admired Ramachandra Rao, that he spoke like Ramachandra Rao and even behaved like him. He was a man of enormous power and drive and I do not think any other man connected with co-operative movement possesses that drive and energy. He induced me to take a share in the Bank. The share still remains there and it will remain for all time. Recently the Bank gave the interest on that amount as the prize for the best behaved boy in the Salem Municipal College in the opinion of the people there. Therefore, it does good work. When I put

money into the Bank I was not sure of getting it back (*Laughter*). I had plenty of experience with my clients, at that time. Mr. Adinarayana Chetti used to go from place to place on a bicycle. He went from place to place, from one village to another and started 200 societies in the District of Salem. He used to feel that these societies were his own. But now everything is regular. The Co-operative movement had bureaucracy, hierarchy and everything was settled. They got money for the rural societies from the Central Bank and the Central Bank from the Government of the State and so on. Government spent money on the Banks and sometimes even borrowed money. In those days it was very hard to work.

Therefore I am proud to take some part in the movement. I have also got another claim to inaugurate this Conference. The Chairman of the Reception Committee in his Address said that the Conference met last time—3 years ago—after a cyclone in the Coastal Andhradesa and now we have had cyclone recently in Tanjore. I hope you will meet next time without a cyclone. (*Laughter*) Let me draw my own impressions after a few years of contact with the movement. *Ultimately its success or partial failure depends upon the character and diligence of the people who work it out.* The individuals who work the movement, their character, their personality and their industry and vigilance and diligence make the movement. Now this movement in Madras can well claim that it has done valuable work relatively with other parts of the country. Comparatively Madras has done very well indeed. There might be instances where some co-operative societies had failed. But it is not good to select only the failures and black spots. Such and such a man may be good. Still the society fails. The sum total of human endeavour must contain some defect. In the application of things evil as well as good comes into play. On the whole, we feel Madras has succeeded very well and that is why people from all parts of India have a definite opinion that Madras has succeeded, and they come here to study the organisation. We claim from all parts of the country men with a sense of education. All our officers are very patriotic. Some how or other the successive batches of officers enjoyed the work which aims at promoting popular welfare. The urge in this Department aims at popular welfare and the officers grow more and more patriotic as they gain experience. We are fortunate in the history of the movement in Madras. At first the movement started as a credit movement and later became multi-purpose. We were very

familiar with the weavers' societies and consumers' societies in those days. Cottage industries work also has been taken up besides weaving, house-building, etc. In Gandhinagar (at Adyar) and at Katpadi (North Arcot) we have shining examples of skilful house-building societies.

Again, let me tell you my general impression of this movement as it is called and will continue to be called. In Madras the credit side of this movement has brought the middle-class money into the hands of the poorer people. The other banks do not get much money from the middle class. Our co-operative credit societies have been able to tap middle class savings and make them available for the rural areas and for the poorer people. Nothing can be better than this. Nothing can be greater tribute to the co-operative movement. (*Cheers*) The savings of the middle-class itself has been tapped. We know how it is difficult to clear a Balance-Sheet; and then to save is much more difficult. And somehow or other, the co-operative credit structure manages to get this money. There is plenty of money in the Central Co-operative Banks and the Apex Bank and those moneys are lent to the rural co-operative societies. Thus, the middle-class money has been made available through the rural co-operative society.

Another aspect of the matter is this: Class system, in our country had been based in the past on the situation in life and now it is decided by the birth and death. Certain people who were born in certain places have taken to certain callings. Some classes took up literature, co-operation, and higher education and they gave up their own profession, if they had any. Some classes who had no profession took up service as clerks in the banks. Co-operative movement has given an opportunity to a decently educated non-caste class, so to say, to take over the work of the Vysyas though they were not born as Vysyas. Brahmins begin to manage the co-operative society. So also the other classes. They learn the Vysya work—how to start business, how to borrow money and how to lend money even according to the *Code of Manu*. Our co-operative movement has reintroduced the Vysya cult in all the people brought into it. I very often admire the manner in which the Brahman boys manage it. They begin as clerks in co-operative banks and later become assistant managers. I often think of them as Komatis. But they are not. This I refer to not because I have got any personal opinions on it. This is one of the great social changes that they have introduced

through the co-operative movement. Many classes who were not in the business and who would not come to business, have now come to business and are happy through the co-operative movement. Let us remember there are numerous co-operative societies every where and so our people are getting a bit business-like generally as a result of the movement.

The movement must be carried on. I remember when about 25 years ago I was behind the bars. In those days, Sri Narasimhadevara Satyanarayana was my colleague. We tried to spend the time by some instructions and preachings. I used to give some talk to some of my friends. I recollect those days with great pleasure, when we lived and talked cheerfully. At that time I used to give a series of talks on Bolshevism. By that time the Soviet Revolution was over. Communism was known as Bolshevism then. The word Communism was not so common as Bolshevism. I was explaining the principles of socialist organisations. At that time, Mr. N. Satyanarayana asked me why the co-operative movement should not do what Socialism, as I explained, was intended to do to society. I gave an unsatisfactory answer. I call to memory my own impression. He was a very staunch believer in the co-operative movement, the good side of Socialism. He had already been an experienced co-operator. He has seen many years of hard work in the co-operative movement and has continued to do good work up to now. If you go to his place, you can know the co-operative movement morally, culturally and economically. He is one of the pillars of the co-operative movement. He is fairly tall like a good pillar. I told you I had given an unsatisfactory answer to him. To give in a sentence, the answer was that the co-operative movement retains the good qualities of individual interest and property as well as the good quality of socialist organisations. That is the claim which Co-operation makes. It retains all that is good in the Capitalistic scheme and claims to maintain all the good principles of the Socialism. There we go by the Co-operative work. Co-operative movement is the middle path. We all have begun to hate Capitalism but at the same time do not want Communism as such. Therefore, we want a middle path. *This Co-operative movement or co-operative path is a good path.*

I have great pleasure in wishing the movement a good future. I began the movement and I hope the movement will grow from strength to strength. I have great pleasure in declaring the Conference open.

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Shri SYAMNANDAN SAHAYA delivering the Presidential Address



The Hon'ble Sri C. SUBRAMANIAM unveiling the Portrait of the
Late Sri T. A. RAMALINGAM CHETTIAR.



DR. Sir A. LAKSHMANASWAMY MUDALIAR
speaking on the occasion of opening the Cottage Industries Exhibition



Shri SYAMNANDAN SAHAYA, Dr. Sir A. LAKSHMANASWAMY MUDALIAR, and
Mrs. J. C. RYAN, (President of the Madras Women's Cottage Industries Co-op. Society)
at the Society's Stall at the Exhibition

XXVIII Madras State Co-operative Conference, Madras

PRESIDENTIAL ADDRESS

SHRI SHYAMANANDAN SAHAYA, M.P.,

*Chairman, Bihar State Co-operative Bank, Ltd.,
Vice-Chancellor, Bihar University.*

Brother Co-operators,

I consider it a great privilege to be called upon to preside at this the 28th session of the Madras State Co-operative Conference. It is an honour which I value and I do not know how to repay the gratitude which I owe to you except by dedicating myself afresh to the service of the cause we all hold dear, *i.e.*, Co-operation. I presume that your choice has fallen on one from distant Bihar because of the appreciation of the all embracing nature of the co-operative fraternity *Vasudhaiva Kutumbakam*. In addition to the honour you have done me, the association of co-operators from different parts of the country with one another is an education by itself; for, we learn by each other's experiences and gain by the knowledge of advances made and success achieved in different spheres of the co-operative movement in different parts of the country.

The State of Madras is one of the most ancient and the most prominent parts of this vast country which enshrines the glories of India in almost all its phases. The stories of ancient Aryan and even pre-Aryan culture are writ large in the monuments of Art and Architecture which one finds here. It also depicts in vivid terms the beauties of the middle ages and also of modern times. It has the proud privilege of having at Rameshwaram a temple erected by Shri Ram Chandra which still attracts pilgrims from all parts of this vast country. Educationally one of the foremost provinces of the country it has produced leaders of men in all walks of life who have been a source of pride and honour to every citizen of this country. You have the proud privilege to day of having in your Chief Minister a Leader of rare qualities, who even at this age directs not only the policy of this State but in many matters the policy of the Central Government. In the sphere of administration and statesmanship he is truly a Chakravarti-Raja and the horse of his victory still remains unbridled throughout the length and breadth of this vast country. I prayerfully hope that he will be long spared to serve the country.

Brother Co-operators, We have suffered a heavy loss in the demise of Shri T. A. Ramalingam Chettiar who served the co-operative movement truly and loyally for a long time and was one of the pillars of the co-operative movement in this province

and a respected co-operator throughout the country. I first came into contact with him as a member of the Parliament and I am an eye witness of the interest he used to take in all matters co-operative whenever anything concerning the movement came up before the House. His vast knowledge of the working of co-operative movement and his abiding interest in it was a great asset which we have lost and the co-operators mourn the loss of one whose services were mostly needed at this time. I pray that his soul may rest in peace.

Co operative Ideals Past and Present

Friends, like many things in this world it is a sad irony that one has to preach for and try methods of persuasion to secure affiliation of the vast population of this country to co-operation. I say so because ever since we know anything of men and affairs and the organisation of society itself we know of co-operation. The psychology of co-operation was noticed in the world in the early stages when it was found necessary to have an organised society in place of individual existence of men and women in this world. Since then whatever sphere of activity you look at you would find that it was based on a spirit of co-operation. With the progress of the world, however, individual incentive, individual aspiration and individual need again came into prominence and we stand to day trying to bring round people to the fold of co-operation and to persuade them to adopt co-operative methods. I am indulging in no exaggeration if I say that the troubles of the world today are due to the lack of proper appreciation of co-operative methods and if we succeed in bringing to the fore the co-operative method of solving our difficulties and troubles it would be a happier world to live in. So far as this country is concerned, the whole structure of society and the entire administration of the country was based on co-operative methods which was termed as Panchayat Raj. But the foreign rulers stood in the need of a centralised administration and naturally the old institutions were left to decay and disappear. We have come into our own and I am glad to say that we are veering round this ideal of co-operation and Panchayat Raj. Our Constitution itself lays down, in its directive principles of State Policy, the following:—

“The State shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government.

.....the State shall endeavour to promote cottage industries on an individual or co-operative basis in rural areas”.

Co-operative economy, the best solution.

It is thus a great victory for the co-operative ideal that almost the entire world is now veering round the co-operative method. I

have no doubt, all of you have noticed that lately in reports of all Economic and Planning Committees and in many utterances of our great leaders the suggestion has been incessantly made for organisation on co-operative lines. The President of the Indian Republic, Dr. Rajendra Prasad, in his first address to the Parliament of India referred to this in the following terms:

“Let us accept our great task in the spirit of the Father of the Nation, who brought us our freedom, and let us remember always the message that he gave us, the message of unity and good will between all the people of India, of communal harmony, of abolition of class distinction and of those based on birth, caste or religion and the evolution of a peaceful co-operative India, which gives opportunities of progress to all her citizens.” He has again repeated the suggestion in the following terms while addressing a meeting at Delhi:

“The salvation of the country lay in a more intensified effort to organise agricultural production on co-operative lines. The leaders of the co-operative movement should devote attention to the problem of extending the principles of co-operation to the field of agriculture. The poor Indian cultivator should be provided with modern implements and a more abundant finance by co-operative societies and similar other bodies if the yield per acre is to be increased and the country saved from the ever present food shortage.....”

The Central Planning Committee and the Congress Sarvodaya Samaj have all expressed similar views and stated unequivocally that organisation of this country and particularly of the rural areas on co-operative lines is the only solution of the ills that surround us. It is, therefore, quite clear that the principle is being universally accepted and even our critics are coming round to accept the co-operative principle. It is indeed very heartening and encouraging for the co-operators but it also indicates the added responsibility and the vastness of the problem to be tackled. I have no doubt that our old workers will be able to rally round them enough young enthusiasts who will be able to organise this country on sound co-operative lines.

The world is at present beset with conflicting ideologies of state economy, private economy and mixed economy. The problem is becoming acute even in this country and therefore, we have to think out what is best suited to the environments of this country which might be fitted into the structure of the state without seriously impairing the advantages of the different economies stated above and if we gave this matter the thought it deserved it will have to be conceded that the co-operative economy is the

only solution. Not only in the sphere of production but also in the sphere of distribution and in many other sectors, the co-operative method will admirably meet our requirements, for, India's past was built up on the Panchayat system. The welfare of the common man must be the objective of all welfare states and so far we have evolved no method better than the co-operative method to attain this objective. The co-operative method has the additional advantage that the common man in attempting to better his lot by his own endeavours also develops the spirit of self-help and self dependence ultimately generating an element of self-rule which in olden times was known as Panchayat Raj. No Government, however able or powerful can so quickly raise the standard of the common man as the common man himself can do if he undertook this task in co-operation with Governmental and other bodies.

Co-operative methods to solve food and cloth problems

The two problems which are assuming gigantic proportions and have baffled all solution so far are the problems of food and cloth. What a pity that a country like ours which used to flow with milk and honey and was able to produce always more than it required has now to depend upon other countries for keeping the body and soul of its citizens together.

In spite of the cotton mills' efforts to solve the problem of cloth, it has to be painfully admitted that the disease persists as strongly as ever. I submit that both the problems of food and cloth can be easily settled if we take to the co-operative method and spend even one-tenth of what we are spending on importing food grains, in encouraging and fostering the growth of co-operative farming and weavers' co-operative societies. In the sphere of distribution also the co-operative movement has shown even though in a very limited sphere that it is possible to secure distribution without black market and achieve even reduction in prices. The co-operative Banks have done some business in the distribution of manures, cloth and salt and I can state on the best authority of high Government officials and also of non-official bodies that the co-operative distribution has been able to meet the requirements of the situation to a very large extent. Having been successful to this extent, I think, it would be in the fitness of things if we progressively increased the sphere of distribution through co-operatives. It will be a sad day if we lose the thread and not take the best advantage of the experience gained.

Our responsibilities in Independent India.

Ladies and gentlemen, the responsibilities cast on Indian citizens after the independence of this country are very much greater and very much different than what they were ever before.

Conditions in the past were such that every section felt the need and the urge for laying great emphasis on rights and that was because the existence of foreign element made one apprehensive and led one to be constantly on the watch with regard to his rights. A right has to be protected against the onslaught of something extraneous. In Independent India, however, there is no clash of interest between the people and the State, for the one is meant to exist for the good of the other. Therefore, when I notice an emphasis on rights I am indeed tempted to think that it is really a habit of the past that we have not been able to assess properly the great change that has come over. In a self governing country the emphasis can only be on responsibilities. Every individual Indian to-day has on his shoulders a responsibility much greater than what he had at any time in recent history. It is on due and satisfactory discharge of these responsibilities that India can once again attain her past glory and secure for herself a proud and privileged position among the nations of the world. The British Government in India had the backing of the resources of its own home Government and depended largely on that backing in the Governance of this country. The present Government have no backing other than the backing of the people of this country and as such they would naturally do all that is possible to secure the best advantages of a good Government and of modern amenities for the people of this country. How dare they do otherwise except at their own peril. Much depends, however, on the manner in which every individual citizen of this country takes up and discharges the responsibilities devolving on him. In this context the responsibilities of the co-operators in this country have also increased vastly and it would not do for us to say that it has not been possible to achieve greater results for want of Government sympathy. We must proceed on the assumption that Government cannot but be sympathetic and if we take up the cause in right earnest there is no doubt that success will crown our efforts. The responsibility of the co-operative movement in the improvement of the country side, in removing rural indebtedness, in creating a spirit of co-operative brotherhood, in introducing better farming methods and in securing to the villager the just price for his products, has increased manifold and we have through co-operation to devise ways and means to achieve this.

Co-operation & State Aid

While, therefore, we have to assume that Governmental assistance required will be forthcoming, it is necessary to take stock of the present situation and impress on Government the necessity of their allying wholly with the co-operative movement. The State Government of Madras, I am glad to find, is taking a very lively and keen interest in the co-operative movement and

the province of Bihar also has now on the Cabinet a Minister holding the portfolio of Co-operation. But in many States yet and also in the Centre co-operation has not come to occupy the position of importance that it deserves and its proper place in the Governmental set up is, in my opinion, essential for raising the standard of the people of this country. In the Centre the portfolio of co-operation is held as a very subsidiary section by the Ministry of Agriculture and I do not think any serious attention has been paid to it. One of the Presidents of this Conference in the past, Shri R. G. Saraiya, very pertinently pointed out in his Presidential speech in 1950 that the organisation of the co-operative movement at the Centre "leaves much to be desired". It will be recalled that as a result of the recommendations of the Registrars Conference held at Madras a sub-committee was appointed by the Government of India which made several recommendations, two of them being:—

- (a) That a Central Co-operative Council should be established to keep Government in close and continuous contact with the Co-operative Union and the Council was to consist of the Hon'ble the Minister in charge of Co-operation, 10 nominees of the Central Government and 10 representatives of the Indian Co-operative Union with a representative of the Reserve Bank of India, and
- (b) That a Co-operation Directorate should be set up at the Centre under a Co-operative Adviser so as to co-ordinate the activities of the provinces and the States in all fields of co-operation and provide for technical and other types of assistance needed by the movement.

The need of a co-ordinating agency at the Centre is keenly felt. Such a Central agency will prevent one province from repeating the mistakes of others and also prevent overlapping of experiments apart from making available to every province the benefit of the combined pool of information on the working of the co-operative movement throughout India.

It was high time that the Central Government gave shape to these recommendations as only in this way could Co operative Commonwealth envisaged by us be established.

Co-operative & other Welfare Departments of Government

There is another aspect of the matter which deserves serious and immediate consideration by Government. In a country like ours, deficient in so many ways, the one thing which we cannot afford is duplication of work and maladjustment. If we scrutinise the working of the different departments of the Government we sometimes find that the same type of activities are carried on by

different departments. Agricultural improvements, for instance is as much the sphere of the co-operative department as that of the Agriculture department. Similarly, the improvement of the cattle wealth is the jurisdiction of both the Co-operative and the Veterinary departments. I think, it was time that these nation building activities were all run under the aegis of co-operation, particularly, as we have now decided finally to organise the whole village multipurpose co-operative societies and these different activities could all be carried out through these multipurpose societies with the guidance of the workers of the department concerned. This might save a lot of money and a lot of time and would certainly remove any chance of duplication in the same sphere of work. I find that some provinces are establishing Gram Panchayats and have passed Legislations giving these Panchayats certain powers. This again, is duplication and might lead to complications. The Co operative Societies could easily discharge these functions and they should be entrusted with the task.

The Co-operative Department

While the co-operative movement must remain essentially a movement run by non-official agency, circumstanced as we are at present. Government's co operative department is by no means any the less important for the movement. It is the steel stiffener of the co operative structure and the reinforcement in the pillars of the movement. It is the duty of the department to keep every section in its proper place and to aid and advise and even to check and guide every section of the movement, the only difference between the control of the co-operative department and of the other departments being that its control should be animated by a desire to help and should be shaped in the mould of co operation. It should adopt the policy of persuasion rather than that of compulsion.

It must fight the battles of the co-operative movement with the government and must support the weaker element in the movement as against the stronger wherever there may be a tendency of arrogance and suppression. It is on the department that devolves the responsibility of assimilating the best and eliminating the worst in the movement.

..... Hamsaihi yatha kshiram ivambu madhyat

The one thing that the department must shun as poison is to allow any rivalry to grow even in the matter of popularity between it and any section of the movement, be it the Federation or the Provincial Bank or any other. Let us remember the wise words of John Ruskin, "Government and co-operation are in all things the laws of life. Anarchy and Unhealthy Competition the laws of death". (Unto this last).

In connection with the departmental officers, I have always advocated a closed service in the Co-operative department. Constant transfers and recruitments from the general line to the co-operative department is not, in my opinion, conducive to the well being of the movement. The working of the co-operative movement requires a technique which is not achieved in a day. It also requires a mental outlook which is vastly different from that required in purely administrative services. It requires the zeal of a missionary which again is not necessarily a hand mind of administrative efficiency. I would, therefore, take this opportunity of pressing upon all concerned the extreme desirability of having a closed service for the co-operative movement. The movement has expanded and is likely to expand further. A service, therefore, solely for the co-operative section will not be unjustified even on the ground of numerical strength.

Rural finance.

The need for rural finance is one of the biggest problems of this country and it is idle to think of the raising of the standard of the people without providing resources with which the country side could be improved. The problem is indeed vast considering the vastness of the country, but it is not impossible of solution. Sources of money in the rural areas have not been fully tapped and if local resources are fully utilised much of the finance can be available in the villages themselves. There is no denying the fact that it can best be done by the co-operative methods. As a result of the Banking Enquiry Committee, Government encouraged opening of rural branches of commercial banks, but it has not achieved any result yet, nor is it likely that it can ever succeed. It is, in my opinion, the primary obligation of the Government to see that rural enterprise does not wither away for want of finance. Agriculturists in my country are intrinsically honest and consider the repayment of debts not only a material obligation but also a moral obligation. I would remind you of the time when depression had set in after the first great war and when it was felt that the investments of the co-operative movement were not likely to be repaid, that they had become frozen and that there was no prospect of recovery. How mistaken the view was had been proved by subsequent events during and after the second world war. As soon as the Agriculturists and the members of the society had money in their hand they made immediate repayments and even the normal procedure of award and liquidation was resorted to in a very insignificant number of cases. In several provinces the recoveries far exceeded the estimates made for recovery and we are gratified to find that the members of the societies are thoroughly dependable and given the opportunity and resources there would be no cause for misgivings from that quarter. I think, the honesty of the borrower is as great a security for the

loan as are his material assets and where we could have both it would leave nothing to be desired. Another proof of the co-operative societies and members being intrinsically sound and dependable is obtained from the fact that almost in every province an appreciable number of societies have, even in these two decades with vicissitudes and depression intervening, been able to build up good reserves and are carrying on their work, advancing loans and taking part in distribution of commodities entirely with their own reserve fund. If such good results could be obtained in thousands of societies, I have no doubt, it will be accepted that given the resources, the will and the necessary staff it is not impossible of achievement in the 7 (seven) lakhs of villages in this country. The Royal Commission on Agriculture, commenting on this aspect stated in regard to the position obtaining in the whole of undivided India in the following terms:—

“Two million members of the Agricultural Societies owned their society a sum of Rs. 18 crores of which nearly 6½ crores was their own money being 2½ crores of share capital, Rs. 1½ crores deposits by members and Rs. 3 crores as reserve fund”

The position has greatly improved after the commission's report. These are eloquent figures and the worst critic will not call it a small achievement. Above all it shows the path to the solution of, perhaps, the greatest problem of this country, viz., rural finance. In a predominantly agricultural country like India no government can afford to ignore the requirements of the agriculturists and must necessarily make due provision for it. If it does not do so it fails to fulfil its most primary obligation and does so at its peril. The International Economic Conference held at Geneva observed:—“that the first condition of surmounting the difficulties of agriculture was the organisation of suitable credit institutions and the best form of this institution appeared to be the Co-operative credit societies.”

In my experience as an humble worker in the movement, I have observed that the government sometimes feels uncomfortable in spending the tax-payers' money on the co-operative movement. Here again is a misconception. There could not be in my humble opinion, a more proper channel of expenditure of the tax-payer's money than through this movement. For, after all who are the tax-payers—the Agriculturists in this country predominantly—and the co-operative movement is perhaps the only organisation solely and exclusively devoted to the amelioration of the condition of the agriculturists. The expenditure on and through co operation for rural relief is and must be almost the first charge on the resources of the Government. I may with profit quote here what Mr. Brayne of the Punjab had to say about it.

"Education and co-operation are the two handmaids of all the departments of Government to bring things they have discovered within the easy reach of even the poorest and the most distant villages and to clothe the dry bones of the official machine with the flesh and blood of human sympathy and understanding and to teach the people by their own efforts to achieve health and happiness. I am not certain that government would not gain in every way if each department handed over all its village work to the co-operative and the education departments and leave these two in spread civilisation in the country side".

The movement needs long term capital at a low rate of interest for, short-term loans can only keep the agriculturists in a state of living from hand to mouth and it is only through long-term capital that he can improve his holding and bring local self-sufficiency. This aspect of the question, I have no doubt, is receiving the attention of your government and let me here place on record the fact that the Government of Madras have in this matter carried on a policy which is deserving not merely of approbation but also of gratification.

It might be useful to know what other countries have done to meet their needs of rural finance :

In Australia, the State Bank has a rural credit department to which the Government treasury is authorised to advance loans up to £ 3 millions. In addition to this 25 per cent of the net profits to the note issue department is to be paid to the Rural Credit Department up to a certain maximum limit.

In the New Zealand Bank, there is a special department for long-term loans with a capital of £ 3 million a third of which has been subscribed by the State. The loans are recoverable in long periods extending up to 36 years.

In England a Bank called the "Agricultural Mortgage Corporation Limited" has been started under the Agricultural Credits Act which deals with long-term loans. The capital of the company was provided by the Bank of England and other Banks and the Ministry of Agriculture is empowered to advance loans to it to the extent of £ 7,50,000 free of interest for a period of sixty years and a recurring sum of £ 10,000 per annum for ten years for the administration and expenses of the Bank. The Bank is further empowered to raise money by debentures which are made trustee securities. The Government is empowered to underwrite the debenture issue for £ 5 millions and the Treasury has power to invest in them to the extent of £1,250,000.

I think it is now admitted on all hands that the period of slump and depression has started and in the circumstances there will be greater necessity of larger amounts being invested to meet the requirements of Rural Finance. As far as I know, in situations

like these Governments in other countries have even by devising artificial means and subsidies kept the price of the Agricultural products at a certain minimum level. The price of food grains is certainly high even to-day but the prognostications are that it would have a quick fall and it is just the time when Government and others interested in Rural welfare and in the biggest industry of the country namely Agriculture, should take time by the forelock and devise ways and means to prevent the collapse of agricultural economy. The co-operators should also consider the matter carefully and secure facts and figures of the period when depression had set in after the first world war, for, the information may be helpful in preventing disaster at the present time.

Expansion or Consolidation.

The question of expansion or consolidation of the movement has received a certain amount of attention in recent years. There are advocates who would stay their hands and restrict expansion and devote themselves to consolidation of the co-operative movement. While there is a great deal of force in this line of thought the fact remains that the needs of the country are so vast that we can hardly afford to cry halt to expansion. In fact such a process may lead to stagnation and decay. A living movement must expand but it is quite possible to have consolidation and expansion side by side and even expansion could be so carried on that in the ultimate analysis it may bring about consolidation.

A certain amount of mental enthusiasm may be necessary in life, but ideology and theory can be useful only when it is capable of being reduced to practice. I feel, we must have a definite policy of expansion but with two safeguards; firstly, we should organise societies only in concentrated areas where there may be some societies in existence from before and start organising what we may well call 'co-operative colonies' say within a radius of five miles. Secondly, every member admitted into the Society must be well educated in the principles of co operation and must be told in no ambiguous terms his liabilities and duties as a member of the co-operative society. Such an expansion will not only bring new life and energy into the movement but will also infuse fresh life in the old and decaying societies. These co-operative colonies will have a co-operative atmosphere and will develop a spirit of co-operative fraternity which will not only be useful for the colonies themselves but will render that assistance to India which it so vitally needs and which I am sorry to say, we lack in many respects. As to the speed and rate at which this expansion must proceed one has to look to finance and if the State comes to the aid, expansion can be as rapid as desired. If, however, the work of expansion is left to the resources of the movement itself then naturally the expansion will be circumscribed and limited by the funds that the movement can

provide. Expansion, as I said before, must be planned and it should be so developed that a whole area studded with co-operative societies might have its own central organisation and might be able with self-help and mutual help to look after themselves and meet the requirements of the members.

Credit and Non-credit Activities.

It has also been discussed lately whether greater emphasis should be laid on the credit or the non-credit side of the movement. My personal opinion in this matter is that at this stage the discussion becomes more or less of an academic character. The movement has now reached a stage when we can well divide our attention to both kinds of co-operative societies according to the needs and demands of a village or locality. There is much that can be said both for and against the two points of view and veteran co-operators like Mr. Brayne and Mr. Kelkar have differed widely on this point. Mr. Brayne in one of his speeches said—"Credit will rarely lead to reconstruction but reconstruction can always lead to credit. I am not certain that by keeping credit first and reconstruction last we are not putting the cart before the horse." Mr. Kelkar, on the other hand, said "that credit must be placed in the forefront". There is no denying the fact that philanthropy and moral principles do not appeal to a hungry person and if you wish him to learn ethics and principles of morality you must arrange for a square meal first. Dispensation divine is for the good of His people and the fact that credit was taken up first and has gone so far is also, in my opinion, divine dispensation. But for the financial backing which the movement can now give to non-credit work one would have been hard put to it to think of and spend on non-credit activities. We have, however, as I said before, come to a stage where the non-credit side of the movement should receive as much attention as the credit side.

Short, Medium & Long Term Loans

This question of credit and non-credit takes us to two other points, viz., whether the co-operative movement should confine itself only to meeting the every day requirements of the members or should it advance long term loans also for debt redemption and land improvement.

The question of the short, medium and long term loans has been the focus of attention for some time and there has been considerable controversy of late on this matter. There are some who hold that the proper sphere of the co-operative movement on the credit side should be only the advancing of short or at best medium term loans the former recoverable during or at the end of the year and the latter spread over four or five years by annual or quarterly kists according to the crops growing in particular parts. Mr. Ram Das Pantulu the renowned co-operator, was an

exponent of this view. There are others, however, who hold that any Banking institution and equally so a co-operative Bank cannot but take over all the commitments of its constituents. They hold that debtors as well as creditors are ill at ease when they know that the debtor has to deal with many creditors. The minority report of the Central Banking Enquiry Committee while dealing with this very subject notes its experiences in these terms:—

"A Banker would prefer his client to deal with himself and would desire to give that client every thing that he wants provided he is satisfied about the solvency of the client and the security behind the loan".

The trend of the movement has also been on these lines. In fact at one time, the co-operative department insisted that as soon as a member is admitted to a society his debts should be paid and the outside mahajan eliminated.

Although co-operation is not mahajani and the man counts for more than his money, yet as long as credit is one of the chief activities and as long as rural indebtedness is not brought under control and rural credit sufficiently established, we cannot ignore the elementary principles of Banking nor can we overlook the weakness of human beings. To try to cure a disease without proper diagnosis and without proper safeguards for usual complications is risky indeed and therefore, to provide against the weaknesses of human beings even though it may result temporarily in sinning against the doctrines of co-operation should not be penal offence. Knowing as we do how an ignorant member is brought under the ever-spreading net of the village mahajan, it will not be safe from credit considerations to allow him short and medium term loans on personal credit through the co-operative movement and to permit him to mortgage his properties to a mahajan for his long term needs. The result in such a case would be disastrous. It is the result of this wise policy that although in many provinces the assets of members had become frozen, the movement was yet sound on the best of authority and the defects were remediable. Experiences vary according to circumstances and Madras has a different policy perhaps because it has a land mortgage bank to which all the long term business could be transferred and the agriculturist relieved of a heavy burden of interest through a sister agency with the same aims and objects as ours.

I am, therefore, definitely of the opinion that as long as some other organisation to meet the long term demands of the members is not set up and the date appears to be yet distant in many parts of the country, we should endeavour to meet all the requirements of the members both short term and long term though we may keep the accounts separately and fix the kists

separately. My suggestion, however, has the underlying condition that long term loan can be advanced only when long term finance can be secured. But the provision of credit facilities by no means ends our duties and difficulties.

Problems before the Movement and Their Solution

The Co-operative movement is essentially a popular movement—this maxim to be axiomatic—has to be supported by materials which the non-officials in the movement can alone supply. We had, therefore, better survey the whole position and see what we can do.

Cottage Industry as Subsidiary Occupation

On the credit side if any tangible result has to be achieved, it is imperative that the members' sources of income should be increased. Agriculture by itself does not appear to be enough. In the first place agriculture does not give occupation for a whole year and people are idle for an appreciable period during the year. Then again agriculture and the production of country crop is by no means a very paying proposition in normal times *i.e.*, excluding inflationary periods and to raise the status and the standard of the whole country side, one has to find ways and means for introducing subsidiary occupations. Home industries have to be introduced, cattle breeding, poultry farming, eri-silk rearing, bee hiving, tanning, weaving and a hundred other things have to be thought of and introduced according to varying needs and varying environments. I would go to the extent of suggesting that it should be made compulsory for every member at least new entrants, to have some sort of subsidiary occupation. For co operation to live and thrive and earn good name it is essential that we should enrol such men as have full faith in it and are prepared to work in the spirit of the movement. It may appear a little idealistic but I feel sure that it will become very popular after a time when we have convinced the people that it can be a paying proposition.

Supply of Essential Commodities Through Co-operatives.

As I have said before, a certain amount of distribution of essential commodities was undertaken by the co-operative movement and it was successful in a large measure. It is, however, contended in certain quarters that trading and banking should not go hand in hand and that the risks of trading were too great for the banking resources of the co-operative movement. This question has to be viewed from two angles. Firstly, the view point of the financial risk involved in trading and secondly, the view point of the service that the movement can render by meeting the needs of its constituents and supplying to them commodities of essential requirements. With this question is also linked the distribution policy of the Government which in spite of its best

efforts during the last five years has neither been able to bring down prices nor eradicate corruption.

Co-operation & Trading Activities.

Let us examine the implications of the trading policy through the co-operative movement. While an ordinary dealer of a commodity, I mean the normal trade channel, takes from his business point of view the best advantage of high prices during scarcity and is willing to sell even below cost in times of plenty, the co-operative movement can do neither. Even when the commodity is scarce and is in great demand it has a fixed price above which it will not go and should not go. Then again, if the market goes down it cannot sell below cost as it has to render an account to its shareholders and other constituents. To think, therefore, of co operative distribution in terms of normal trade channel is to ignore the basic difficulties and also the basic advantages. The Government and the people have to be assured that the prices are being slowly brought down and then maintained at a certain reasonable level. This process and this achievement if undertaken and secured by the Government directly would mean a very heavy cost on establishment and also loss in material sometimes by deterioration and sometimes by pilferage; but the responsibilities of the Government are so great in this matter that they have to devise some procedure by which consumers goods may be available at all convenient places and at reasonable rates. The results of depending upon the normal trade channels are quite clear and in spite of the best efforts and in some cases even deterrent action the results are writ large in terms of failure. On the other hand, even though co-operative institutions have undertaken this work comparatively on a small scale and in a small area, the achievement has been remarkable and the prices have been held at a certain reasonable level for the simple reason that co-operative distribution is not guided by profit motive, and being subject to supervisory control and a audit of both officials and non-officials, even the staff employed by the co operative institutions for the purpose of distribution are unable to practice what is so prevalent elsewhere. Co-operative institutions, however, cannot compete with normal trade not because they cannot be as efficient but because of their inability to run with the hare and hunt with the hound. Co-operative distribution, therefore, must depend largely on the policy of the Government. If it is the desire to stabilise prices and not to leave the consumer at the mercy and exploitation of the trade then I submit, there cannot be a better agency than the co-operative agency for distribution of essential goods on a wide scale. Even procurement of food stuff has been carried out by co-operative institutions and has been found to be less costly and more successful.

Government and Co-operative Distribution.

Co-operative movement has gained a certain amount of experience in this direction and a welfare state should not lose the advantage of the experience which has been gained by a welfare movement within the State. The financial risk involved in trading will be largely eliminated if co-operative distribution is carried on in a secured market. Co-operative stores have faced competition with normal trade and have not been found wanting, but in order to embrace large areas and a vast population something more will be needed as indicated before. One of the functions and an important function at that, of a multipurpose co-operative society is to supply all the needs of the villager and in carrying out its duties and obligations it will naturally have to take up the work of trading and distribution. In the context of these things the problem is not whether co-operative movement should take up distribution but the problem is only how it should do it and what assistance it is possible for the Government to render to the movement in this direction. Obligations of a Welfare State are well known and in this connection also I would submit that the Central Government should call a conference of all interested including the co-operators to decide which commodities should continue to be distributed by the co-operative movement and how it should be done. It is the want of essential needs that drives men to desperation and leads to the over-throw of Governments and it would be wrong from any point of view to let this aspect occupy a secondary position. Mal-adjustment and mal distribution have caused more trouble than even scarcity and I have no doubt that if the Government employs the co-operative method of reaching to the consumer his vital needs they shall not only be discharging their most important obligation but they shall also be making for themselves a permanent abode in the heart of the people who are placed under their charge.

A widespread activity of distribution through co-operative channel has another aspect which may be kept in view. One of the causes retarding the growth and development of cottage industries in this country, is the lack of sales arrangement of the produced goods. So far as our cottage industries are concerned, they produce good things and useful things, but there is no arrangement for marketing the goods and the result is that their products go to waste. The predicament of the cottage industries reminds me to a stanza in Grey's *Elligy*:

"Full many a gem of purest ray serene
the dark unfathomed caves of ocean bear
and many a flower is born to blush unseen,
and waste its sweetness in the desert air "

Co-operative distribution if spread over a large area will fully solve this difficulty of the cottage industries because it will undertake the marketing of these goods, the cottage industries being unable financially to bear the burden of maintaining an efficient sales organisation. Perhaps you know as well as we do in Bihar, that in spite of the general scarcity of cloth, the cloth manufactured by Khadi Samities are not finding a market. There are heavy accumulations of stock and the weavers are starving for want of employment. Such a state of affairs will be inconceivable if we had a net work of distribution system spread over the country through co-operative institutions. Every one who keeps himself posted with day to day affairs, knows how your Chief Minister has been able to influence the decision of the Central Government and has secured some relief for those engaged in the production of hand spun and hand woven cloth. This is just one problem but there are many others which can be tackled satisfactorily only if co operation was given a chance and necessary governmental assistance and backing to undertake this distribution work on a large-scale was available.

New openings for Co-operative Effort.

There is another avenue which has now opened up and which can be taken up by the co-operative movement and I am sure the assistance here again of the co-operative movement will be very helpful. I mean the management of the Zamindaries which have been taken over by the Government. In certain provinces the Zamindari Abolition Acts lay down that the management of Zamindari may be entrusted to Gram Panchayats. I see no reason why co-operatives should not take up this work. If the villager is entrusted with the administration of the revenues of his village, it will be the beginning of the Ram Rajya which we have envisaged for such a long time and for which hundreds and thousands of people of this country have suffered and made Himalayan sacrifices. The matter deserves discussion at high level for I feel that it will not only solve the difficult problem of rent collection but will also aid co operative farming in the long run. I take this opportunity of drawing the attention of all concerned to this important matter.

There is another avenue for co-operation, that is, the management of industries connected with agriculture ; an experiment in this behalf is being made in the State of Bihar where a co-operative Cane Development and Cane Marketing Union has taken the lease of a sugar mill and with the assistance of the State Government and the State Co-operative Bank it is arranging to run the mill. Let us hope that the effort will be successful in which case it will open up vast avenues for enterprise in this direction.

Co-operation and Reserve Bank.

The Reserve Bank of India, I am glad to find, has been taking progressively increasing interest in the co-operative field and has rendered material assistance to several States in co-operative finance. The recent amendment to the Reserve Bank Act authorising short term loans to be repaid within 15 months has been an appreciable assistance and is certain to help the movement in financing short term loans. Where Land Mortgage Banks have been started the Reserve Bank has also taken up a certain portion of the debentures floated. This interest taken by the Reserve Bank apart from giving financial assistance also lends weight to the credit-worthiness of co-operative institutions and thus creates a confidence in the depositor's circles. The Reserve Bank, however, still has touched only a fringe of the problem and there are still many provincial banks which have not been able to take the advantage of the facilities granted by the Reserve Bank. The Bank has a scheme of sending its representatives to the States to discuss the needs of the co-operative movement and they have completed their enquiry and investigation in a good number of States. I have reason to hope that the movement will make use more and more of the facilities and the assistance granted by the Reserve Bank. The avenues of financial assistance, however, from the Reserve Bank will have to be expanded and societies like Housing Societies which have a very safe investment and which afford a spectacular demonstration of the good results achieved by co-operative methods may be included in the list of schemes deserving of the Reserve Bank's assistance.

The Standing Advisory Committee on Agricultural Credit of the Reserve Bank of India which meets from time to time discusses important problems which arise and the Reserve Bank tries to implement the recommendations of this committee. This step is likely to be of great assistance both to the Reserve Bank and to the co-operative movement.

I must take this opportunity also of saying a word about a publication sponsored by the Reserve Bank known as the "Review of the Co-operative Movement in India". It is encyclopedic in its details and not only informative but also instructive. I wish that this publication should come out as an annual publication and should as far as practicable be published in good time after the year under report for, facts and figures two or three years behind time howsoever useful become a sort of post mortem examination while a year to year review giving the latest figures is likely to be of greater good. The authorities of the Reserve Bank on the Agricultural Credit side deserve the thanks of the co-operative movement for the interest they are taking and I have no doubt that all concerned with the co-operative movement have

high appreciation of the efforts that the Reserve Bank is making in this direction.

Co-operation in Madras.

Madras is like Mecca (a place of pilgrimage) for the co-operators of India. The progress that co-operation has made in this province, the achievements it has recorded and the aspects of life that it has touched is remarkable and must be a matter of gratification for all the workers who have taken any interest in this State. You have in your Registrar, Sri J. C. Ryan, an eminent co-operator who though an official has all the enthusiasm and the missionary spirit of a non-official worker. A man of broad outlook coupled with mastery of details, of genial temperament associated with firmness of administration, he will, I am sure, be remembered not only in this province but also outside for the lead and guidance he has given to the co-operative movement. In the present set up of things, the Registrar, in his report, has given the definition of co-operation and laid down its aims and objects in terms which cannot be improved upon. His report on the working of the societies in the State of Madras for the year ending 30th June, 1951 starts with this definition which is well worth repeating in this Conference. He says:—"Co-operation aims at the establishment of a new economic order an order in which the evils of capitalism which often exploit the weak for the strong are eliminated and the attractions of Communism whose intention is to distribute wealth among the masses are retained. It is a system which recognises the right to private property and advocates that every one should help himself in company with others in a spirit of mutual service." Even in the very first paragraph of his report, the Registrar places on record and expresses his thanks to the vast body of non-official leaders who have been responsible for the growth and expansion of the movement and for the achievements it has recorded. Any official agency which starts with this co-operative spirit is well worth emulation by others similarly placed.

This State has 24,205 societies with 34.35 lakhs of members and Rs. 85.23 crores of working capital. This is a record of which not only co-operators in this State can be proud but which must be a matter of pride and pleasure to co-operators generally in this country. The advances made during the year by your banks go up to a figure of Rs. 4,542 lakhs. The deposits in the Central Banks amount to Rs. 1,183 lakhs and the credit made available to you by the Reserve Bank of India was to the tune of Rs. 330 lakhs apart from Rs. 350 lakhs which was made available to you from the Imperial Bank of India on the guarantee of the local Government. I am glad to notice that you have a scheme for a Rural Savings Campaign through which you hope to secure at least Rs. 200 lakhs. These are

very encouraging figures and will do credit to any organisation. I am also glad to notice that you have a scheme to secure finance from the Reserve Bank of India for mixed farming activities and for processing of agricultural products, for a medium term loan for 5 years and for cottage industries. This loan when secured will, I have no doubt, go a great way to expand your activities and to enable you to render increasingly greater service to the people. In the matter of distribution of ration and other essential commodities your movement has been able to reach 61 percent of the villages which is an achievement to be recorded with pride in your history. It is the clearest indication of the fact that with a little more assistance you may be able to encompass almost your entire State and render service to the whole population. There is hardly an aspect of life which your movement has not touched and hardly any rural problem which it has not tackled. Apart from the service you are rendering to the co-operative society you have also rendered active and material assistance to the Government in the matter of audit and one feels happy to find that your audit department has not only audited all societies numbering 22,458 except 15—and even these remaining could not be audited on account of various difficulties—but has also audited free of cost the accounts of trade unions at the request of the Commissioner of Labour. Even urban societies which were audited by Chartered Accountants have now been audited by your staff.

The other pressing problem which you have tackled through co-operative movement, and which finds a prominent place in the publication of the Reserve Bank of India being their review of the work of the co-operative movement, is that of the rehabilitation of displaced persons and of increasing agricultural production. No one will deny that these two problems viz., the problem of food and of re-settlement of displaced persons must occupy very high priority among the questions that await solution. These refugees are the living martyrs of the freedom of India and every one of the thirtyfive crores of the people of this country must feel it a personal responsibility to do his best in this behalf. I consider this as not only humanitarian but divine work and every human heart will go out in prayerful appreciation of this work. You have also started co-operative societies for ex-servicemen. This is another important need of an independent country. The ex-servicemen who had dedicated their life for the defence and safety of the country do deserve special consideration on their retirement and the step you have taken in this direction is well worth being followed by other States. As I said before, you have touched all aspects of life and apart from credit and non-credit societies and land mortgage banks you have societies for cultivation of fallow lands, for provision of irrigational facilities, for the supply of manure, seeds and agricultural implements and six of your

producers and consumers societies have even purchased tractors and are working them.

You have societies for milk supply, for egg marketing; fishermen's societies for sale of fish, food growers and vegetable growers societies, salt societies, sugar-cane societies, societies for the production of textiles, for production of goods on cottage industry basis and for co-operative distribution. You have taken part in prohibition and in firka development and have also organised Motor Transport Co operative Societies and Co-operative Housing societies. Your co-operative Training Institute seems to be extending its activities and your propaganda is successfully carried on by your own journals and papers. Equally creditable is your work in arbitration; for, I find that you were able to settle 32,630 references during the year.

The two aspects, however, which attract attention are those of liquidation and overdues. It appears that you had to cancel registration of 254 societies and there were 1121 societies under liquidation. The total assets involved in the 1121 societies amount to Rs. 62.79 lakhs. The percentage of balance to demand under principal and arrear interest seems to be on the increase. The percentage of overdues in respect of loans from members of societies is a little high being on 30.6-51 in principal 24.52 per cent, in arrear interest 60.07 per cent and in current interest 21.88 per cent. Out of the societies in this State the number of societies that worked at a profit was 9017 and the net profits made by them for the year was Rs. 18.19 lakhs, while the number of societies that worked at a loss was 5790 and the loss sustained by them came to Rs. 11.68 lakhs. These are important figures and deserve your careful attention. It has been found that overdues have a tendency of assuming the proportions of an epidemic and they have, therefore, to be checked with a strong and firm hand. I have no doubt you and your Registrar will be able to tackle this problem satisfactorily. It is gratifying to find, however, that you are serving about 65.54 per cent of the villages in your State and 17.98 per cent of the population. If the societies could become whole village societies the percentage of population served by you will increase rapidly and it is here that the consolidation programme assumes importance.

Friends, I have taken a great deal of your time and I am grateful to you for the indulgence you have shown me and the patience with which you have listened to my submissions and observations. Brother co operators, I shall not detain you now, but before I take leave of you I should like to remind you how sacred is our task. We are out to relieve the weak of his burden to supply the needy with his want, to remove distinction between the classes and the masses, to reach to every citizen at the cheapest

cost, the goods of his essential requirements and to hand over to all alike the key of the shrine of Opulence, Is any sacrifice too great for such a noble object? I say, No. Therefore, on to our work is my appeal to all co-operators.

I would like to state from this platform that we seek neither power nor patronage but only an opportunity to serve humanity and the country.

नस्वहं कामये रन्ध्रम् न सुखम् न पश्यामि
कामये द्रष्टुं तप्तानाम् प्राणिनामति नाशनम्

Let co-operators endeavour to give material and tangible shape to the dream of Tennyson, who wrote thus:—

"I dreamed
That stone by stone I rear'd a sacred fane
A temple, neither Pagoda, Mosque or Church,
But loftier, simpler, always open door'd
To every breath from heaven, and Truth and Peace
And Love and Justice came and dwelt therein."

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Co-operative Bank, Limited.
KOZHIKODE-2.**

Share Capital:		Rs.
Authorised	...	15,00,000
Paid up	...	9,00,125
Reserve Funds:		
Statutory	...	3,75,000
Others	...	2,06,750

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ADDRESS DELIVERED ON THE OCCASION OF
UNVEILING THE PORTRAIT OF
THE LATE SRI T. A. RAMALINGAM CHETTIAR

By
THE HON'BLE SRI C. SUBRAMANIAM,
Minister for Finance

Mr. President, Revered Rajaji and Friends,

It is a great pleasure to unveil the portrait of my late Master. When I say "Master" I am not using a mere formal term. I was an apprentice under him and served not for one year which is the usual term but two years. I never attended either his office or the Court during the first year and so I extended my apprenticeship by one more year. When I approached him for a Certificate required for my enrolment, Sri Ramalingam Chettiar was surprised to know that I was one of his apprentices. He never saw me during those two years of apprenticeship. Happily he gave me a Certificate. Since then, I moved very intimately with him and he had been good enough to be my "Master" not only in the field of the legal profession but also in politics. Therefore, it is rather difficult for me to speak about him; but luckily the task has been made easier by the very many references made by the previous speakers about the services rendered by Sri T. A. Ramalingam Chettiar. In public life he showed that one necessary thing for success is truthfulness, honesty, integrity of purpose and character. That he possessed in abundance and that is why he is held in esteem. He was always held in respect by every one who came into contact with him not only for his integrity and honesty but also because he frankly gave vent to the expression of his opinions. He never cared for the personality whom he dealt with. He did not care to receive any favour if it went against his cherished opinions. He did not hold very high offices. But he was very frank in the expression of his opinions. He always told them whatever he held good and dear. That was his great virtue. He was held and is being held in high esteem in all the circles without any distinction and difference, even by those who differed from him in politics or in other fields. It is a great pleasure that I unveil his portrait here. Apart from that intimate association I had with him, I have no other claim. I have not been a co-operator. I am surprised to learn that Rajaji was a co-operator. So far, I knew him as a staunch non-co-operator. That shows his discrimination where to co-operate and where to non-co-operate.

Sir, it is true that in our State we have made very great progress in the field of co-operative movement. We have also claimed that co-operation in the panacea for all economic ills—for counter-acting

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the work of capitalism and getting all the advantages of Communism. But our progress has only been in one field. That is already referred to by Rajaji. This movement has been spread only in the field of consumers' co-operation. The movement must spread among the producers also. It cannot claim to achieve the purpose which it claims unless it spreads to the field of production also. Our State is mainly an agricultural one and unless the co-operative movement is able to solve the land and agrarian problems, it cannot be said to have achieved its high ideals. How far have we achieved success in this field? I am afraid to say that the progress made so far in the field is almost nil. I know there are a few societies called "Better Farming Societies." We have made some attempts to improve agriculture. But as far as co-operative farming is concerned, I do not think such societies are in existence now. Even if they come into existence, they die a premature death. We must go into agricultural production. That should be our aim. In achieving this progress and development in the co-operative field, we have to make certain improvements and adjustments. There is no use sticking to theory and saying we cannot go behind co-operative rules. We should understand that the movement, is for the people and not the people for the movement. If we want the movement to spread in the agricultural field, we have to make the necessary adjustments, so that it may be taken up by the agriculturists and may serve the agriculturists well. Thus we can achieve the goal of the co-operative movement.

These are a few thoughts which I want to place before this gathering of co-operators. Co-operators have been systematic in the field of consumers' societies. I want them to take also an objective view in the field of producers' societies. By talking this bold objective view, the movement can establish its stand.

I heartily thank the organisers for giving me an opportunity to unveil the portrait of Sri T. A. Ramalingam Chettiar and for having allowed me to speak for a few minutes to you.

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Further particulars can be had from the undersigned:
 B. S. VIJAYAGOPAL, B.A., B. COM.
 Secretary.

ADDRESS DELIVERED ON THE OCCASION OF OPENING THE COTTAGE INDUSTRIES EXHIBITION BY

DR. SIR A. LAKSHMANASWAMI MUDALIAR,
Vice-Chancellor, Madras University.

Mr. President, Hon'ble Premier, Ladies and Gentlemen,

Let me crave your indulgence for a few seconds at the fag end of this morning's proceedings; and I am not going to detain you longer. On this platform, I hope a person well versed in co-operation must perform this duty of declaring open a Co-operative Exhibition in a gathering of co-operators. Let me explain my position. It is due to the fundamental fact that one afternoon my friend, Dr. P. Natesan, whom you have seen garlanding all without discrimination and whom I have known as a student, as a doctor, and as a professional colleague came to me, wanted my co-operation and refused to leave the room until I accepted the invitation. I do not know whether that is the principle that is generally adopted. The second reason why I felt inclined to accept this invitation was, perhaps same of you might know, that I am a member of the Legislative Council (I have been for some time past a M.L.C.) We members of the Legislature used to hide our profound ignorance by displaying on such occasions. That is why we particularly are not sitting in Government Benches. I hope the Hon. Chief Minister is not listening too carefully. In the Madras Council, we can talk on all subjects.

Mr. President, I am supposed to declare open the Cottage Industries Exhibition. My friends, I am completely ignorant of the value of cottage industries. This may be one aspect of the Co-operative Movement. I was told about this wonderful Exhibition. I hope I can see what that exhibition is.

Friends, the importance of the cottage industries has been emphasised in an Address delivered by the Chairman of the Reception Committee and in the Address of the Hon'ble Shyamanandan Sahaya. I do not think it is necessary for me to emphasise the matter further. Only last night, I had the privilege to peruse the first document on cottage industries which every one of you must some time or other must go through, where some of the activities of the Cottage Industries Department have been published. Possibly there are 30 or 40 activities that are carried on by the Cottage Industries Department which certainly do good to rural population. Ours is mainly rural population. We have not yet adopted adjustments. We live in the 7 lakhs of villages. These constitute the bulk of our economy.

We have not made even slight adjustments. But when it comes to the question of people, though we generally talk of going back to the villages, every one is thinking that this cry is not for himself. The importance of rural welfare cannot be over emphasised.

I am led to think of the methods by which the rush to the urban areas as it has been called in the last decade or so especially to the City of Madras will cease. Our villages must be improved. The co-operative movement can arrest the rush to the urban areas by providing the modern conveniences the village economy. Sanitary conditions must be improved and healthier atmosphere must be instituted. The Government and the Co-operative Movement must do something to give employment to men in the rural areas.

I have had within the last few years an opportunity to visit several countries and gained a little bit of knowledge. I had opportunities to visit some of the co-operative societies to gain some knowledge of the various activities of Denmark, Sweden, United States of America and Canada. I do not for a moment suggest that everything that is being done in the U.K. and U.S.A. may be copied in this country also. If we do so, we bring about, more problems than we can tackle, problems like ill-health, overcrowding, and lower moral standards. I think that in matters like co-operation charity must begin at home. I refer to the need for the Movement to tackle some of the cottage industrial activities—rural electrification, industrial production, etc. Sooner or later, the system of electrification of villages must be an accomplished fact. By the hydro-electric scheme, we in Madras can develop the resources of the villages. I have seen in Switzerland the recent developments in the watch-making industry. One person makes balance wheels. Another makes precision parts. These component parts are sent to Geneva for assemblage. As we have banks for the relief of agricultural labour, so also there should be banks to grant loans to cottage industries and to help in their development. In this way, the co-operative movement can do a great deal to revitalise industry in a proper manner and revitalise rural areas. I plead that we must stop this process of industrialisation as has been going on and spread the ideal of cottage industrialisation very much more to the advantage of others.

The Board of Secondary Education, of which I happen to be a member has so far visited Kashmir, Bihar, West Bengal and Cuttack. I do hope it will be possible—this is one of the chief things we are now considering—to give such a type of education to those living in the rural areas who will find it profitable to take to that education, which is no more different in intellectual standards than the higher education which we all pretend to have.

Lastly, I heartily thank the Organisers once again for having given me the opportunity to place my views before you.

VALEDICTORY ADDRESS

DR. B. V. NARAYANASWAMY NAIDU,

Member, Tariff Commission

Gentlemen and Brother Co-operators,

I am grateful to my friends, the Chairman and members of the Reception Committee, for having invited me to deliver the Valedictory Address at this Conference which was inaugurated by our esteemed Chief Minister. I have been wondering what my friends expect me to say at the end of the session after the most instructive speech of our Chief Minister, the Presidential Address of an experienced Co-operator like Shri Shyam Nandan Sahaya, M. P., and the annual stock-taking of Co-operative achievements and deficiencies and formulation of plans for future development by representatives of the co-operative movement who have met here. A Valedictory Address in circumstances like these can only be, I am afraid, a redundant statement of achievements or a repetition of matters which you already discussed and decided. Even so, I value the opportunity afforded me of meeting my friends and renewing my contacts with our co-operators. One familiar face which all of us are missing at this Conference is that of our veteran Co-operator Sri T. A. Ramalingam Chettiar. He gave of his best to the co-operative movement in Madras and generally in India. He endeared himself to all of us by his varied knowledge of men and things, his varied business experience, his fearless expression of views and his long and unselfish service to the movement. In him we really lost a friend, philosopher and guide. May his soul rest in peace!

I had the privilege of presiding over one of the sessions of this Conference and believe that these conferences have been following a set pattern all along. The co-operative movement has in recent years been spreading both in range and variety. Every one of its branches is becoming more and more specialised and the problems it has to face too, have become rather complex and complicated. Whatever may be the utility of general conferences of this character, which discuss and pass resolutions on all kinds of subjects, it seems to me that a time has come, in the interests of sound guidance and direction, for separate and detailed consideration of problems concerning the different aspects of the movement. It may be that in one year you may take up matters relating to agricultural co-operative credit, invite papers on different aspects of the subject, hold discussions and arrive at considered decisions; another annual conference may concern itself with matters concerning co-operative farming. This will be somewhat on the lines on which, for instance, the Indian Agricultural

Economics Conference is conducted. Or, you may organise auxiliary conferences for detailed consideration of different subjects and put up the decisions to the general conference. It seems to me that some such procedural changes will be necessary to deal with the increasingly specialised aspects of the co-operative movement and to make the conferences really useful.

You have met here after the publication of the Five-Year Plan which is the first comprehensive and bold attempt at the assessment of our country's resources and economic and social needs. As you know, the Plan has fixed targets for agricultural and industrial production and aims at raising the general living standards of the people. It is only proper that co-operation, concerning as it does with many aspects of our economic life, especially with the life of the socially and economically backward sections of society, should be given an important place in the Plan. Co-operative credit co-operative farming, co-operative housing, co-operative organisation of small-scale, cottage and rural industries, and co-operative distribution are aspects of our agricultural and urban economy which in a co-ordinated national plan must necessarily receive attention. I am glad that our planners have shown appreciation of the need for, and desirability of, a co-operative approach to these matters. It is for co-operators in each State to work out detailed schemes of reorganisation and development so that with such help as the State and Central Governments may provide, the targets fixed may be reached.

By way of illustration, I may invite your attention to the target of Rs. 100 crores fixed in the Plan for short-term agricultural credit (apart from provision for medium term and long-term credit). This provision, of course, includes the funds which the co-operative societies and banks command, the State funds which may be made available and the finance which the Reserve Bank of India has been generously giving the co-operative banks at a concessional rate of 1½ per cent. It is rightly emphasised that credit should be linked up with production and in order that agricultural production may not suffer for want of finance, it is provided that the provision of credit should be channelled through co-operatives, and that by the end of the fourth year including the current year, the target of Rs. 100 crores should be reached. In the year 1950-51 agricultural credit societies in Madras advanced less than Rs. 8 crores to their members. It is for you to consider how much of this sum of Rs. 100 crores should be passed on to the agricultural producers in this State, whether the organisational, supervisory and administrative resources at your disposal, can shoulder these added responsibilities, and in what respects your credit organisations should be strengthened and re-organised to play their new role in the production programmes outlined in the Five Year Plan. Similarly the Planners

have fixed Rs. 25 crores and Rs. 5 crores as targets for medium-term and long-term loans for purposes such as the digging of wells, sand development, etc. You have to draw up plans for the equitable distribution of your share of these funds for productive utilisation on the objects in view.

My official duties have interfered with my co-operative contacts in Madras. However, I have tried to maintain my general interest in the movement and have been observing its progress. It is really a matter of pride that Madras occupies a pre-eminent, and in some respects a leading place in the history of the co-operative movement in India. Either in the matter of agricultural credit or land mortgage banking or co-operative consumers' societies or co-operative housing or co-operative weavers' organisations, this State has established a record of progress and standards of achievement which many other States may envy. There were on 30th June 1951, 24,205 co-operative organisations of all kinds with a membership of 33.8 lakhs and working capital of Rs. 85.3 crores as against 13,570 societies with 10.3 lakhs members and working capital of Rs. 22.6 crores on 30th June 1939. This rapid growth of the movement, though aided in some measure by the conditions created by the War, is the measure of the social consciousness of the people and their faith in the co-operative organisation of our economic life. This development is equally the result of sound non-official leadership and administrative direction and control which Madras has fortunately had all along. No movement charged with the people's welfare has, to my knowledge, attracted such a large body of non official workers from different walks of life as the co-operative movement in the State has done. Nor have I found in my travels in our country, generally speaking, such trained and qualified administrative personnel as Madras has been able to organise and build up. Let us acknowledge our gratitude to the unofficial and official workers in the field and hope that these high traditions of service and administration will be maintained.

It is not as if in a big movement like yours there can be no defects or deficiencies. There are defects and deficiencies but it should be possible to remedy them. One of the basic conditions for the success of the movement is trained membership and qualified personnel for day to-day management of co-operative institutions and for administration. The need for training, education and propaganda is much more important and urgent now than at any time before in view of the new tasks and responsibilities which the co-operative movement has been called upon to shoulder in the Five Year Plan.

The Planning Commission has made a provision of Rs. 10 lakhs for co-operative training and education in different centres in the country. I am afraid that this provision spread over 4 or 5

years will hardly be sufficient to meet the needs of any efficient system of intensive training which the planners have in view. This allotment will have to be considerably raised. We have in Madras a fairly well-built system of co-operative training for different grades of employees. I believe that Madras would be one of the regional centres for co-operative training and education under the arrangements contemplated by the Planning Commission and that you will take full advantage of its advice in enlarging and reorganising the scope of your training institutions so as to enable them to fulfil this additional responsibility.

The need for trained membership on which ultimately the success of the movement will depend is equally obvious. I remember the days when short-term training courses were held for *Panchayatdars* and members of societies. In view of the rapid expansion of societies and the increased membership and the new activities undertaken by them, periodical short courses for instructing members in co-operative principles and practice and for arousing and mobilising their enthusiasm and resources need to be organised on systematic lines. I hope that a portion of the provision made by the Planning Commission will be available for this purpose.

There is a general consensus of opinion on the need for promoting institutional credit for financing the farmers and meeting their several needs. The co-operative movement has been in existence for about 48 years now and it is a fact that agricultural credit societies have not supplied even a reasonable portion of the credit needs of the agricultural classes. I am not sure whether in our own State we have been able to supply through co-operatives even 10 per cent, of the annual seasonal credit required for agricultural operations. It is also a fact that for the bulk of the credit needs, the agriculturists have to look to money lenders or other sources. It is often the case that even the members of societies do not get *adequate* finance to meet all their needs and, therefore, they resort to money lenders. In some cases members experience delay in getting even this limited finance. These are some features of our co-operative agricultural credit system which deserve close study and investigation. What organisational, financial or other changes are called for to make the system more broad-based, efficient and flexible should engage our attention.

There are two other matters which are intimately related with the working of the village credit societies. One is the general failure on their part to promote savings and thrift and mobilise rural savings. They have eminently succeeded, if I may say so, in teaching members how to borrow, and not how to save. Members' and non members' deposits constitute a very small and trifling proportion of their working capital. They always look to the

financing banks for loans and there is very little evidence of effort to tap local deposits. Village co-operatives are generally considered as suitable agencies for tapping rural savings. They have not, however, succeeded in this direction in any considerable measure. You should thank your Registrar that he succeeded in organising a Rural Savings Campaign last year but an occasional departmental drive cannot be a substitute for a continuous organised voluntary endeavour born of an appreciation by the members of the need for thrift and for the gradual building up of their own capital resources. The demand for capital by the several sectors of our economy for carrying out the targets fixed in the Five-Year Plan will be so pressing that with all the help that will be forthcoming from co-operative financing banks and the Reserve Bank of India—let us here remember with gratitude the very generous measure in which agricultural finance is made available by this Bank—it is both necessary and desirable for the societies to find locally a decent portion of the funds they require for financing their members.

This again leads to the question of the consideration of organisational or other changes which may be called for in the village co-operative credit structure and possible incentives designed to promote and mobilise rural savings through village co-operatives. An intensive study of this problem in all its bearings in select areas in the State with special reference to the working and role of village co-operatives follows any practical effort in this direction.

There is a school of thought which considers that the co-operative credit societies should aim not only at supplying cheap credit to the farmer but should also cater to all his economic needs. In other words, the societies are considered as instruments for promoting rural rehabilitation and rural betterment rather than as mere suppliers of credit. Better farming, better business and better living should, it is held, be the principal objects of these societies. I believe that it is in pursuance of this co-operative theory that programmes have been set on foot to convert the credit societies into multi-purpose societies or to start new multi-purpose societies. There is, if I may mention it, another school of thought which considers that credit is the basic need of the farmer and that when it is supplied to him promptly and cheaply and in adequate quantities when he needs it, other things would follow. This school argues that while all the farmer-members may be interested as borrowers of money, they may not be equally interested in any other activities that a society may undertake and that it may not be safe or in the interests of such members that an unlimited liability society should undertake trading activities which the multi-purpose idea necessarily involves. In other words, they raise the question as to how far multi-purpose activities are compatible with the theory of unlimited liability which is the basis of

our village credit societies not only in our own State but also in some other States as well. While in theory the multipurpose idea is good, it seems to me that no scientific study of the implications or of the effects of the application of this theory has been made. I believe this multipurpose process is being carried out in this State for the last two or three years and I would venture a suggestion that we may assess, in an objective fashion, the results of the working of the multipurpose societies in order to determine our future policy. I am told, I speak subject to correction, that some of the multipurpose societies have been working at a loss which as purely credit societies before they did not incur. If this be so, it makes the examination of the kind I have suggested really urgent. Among other things such study should include an examination of the feasibility or appropriateness of the multipurpose idea being applied at the basic level of a village credit society or of a bigger organisation comprising a group of villages, of the most essential or related functions which they should be called upon to perform and of the conditions which should govern such undertaking. We should be clear in our own mind about our objects as well as our methods.

One of the basic facts of our rural economy is that a village moneylender is more often a village trader and merchant. The farmer goes to him not only for the credit he needs but also for the disposal of his produce. Partly owing to the lack of proper communications and transport, partly owing to the smallness of his saleable surplus produce and partly owing to the terms imposed by the money-lender, the agriculturist is forced to sell his produce at any price fixed by the money-lender. It may be that there has been a general improvement in the situation with the spread of education and improvement in communications and transport. Even so, the average agriculturist suffers both by way of higher rates of interest he has to pay the moneylender and by the lower prices he realises for his produce. If the co-operative system should be of real benefit to the farmer, it is a matter for serious consideration whether it should not so change its pattern and methods as to help the agriculturist in these two directions simultaneously. My own study seems to suggest that the co-operative system has not attempted to deal with the problem of credit in relation to the prevailing conditions of rural economy and that it has endeavoured to tackle only one aspect, leaving out the other. This dissection of the problem has not effectively helped either the member or the society. Credit is vitally interlinked with marketing at village level and it seems to me that the co-operative machinery should be so reorganised as to tackle this problem in its entirety. Otherwise, the farmer will continue to deal, on the one side, with the village society and on the other, with the village money-lender, and the problem of rural credit will remain without being fully solved on a co-operative basis.

This again is a line of study which I suggest you may undertake in promoting schemes of co-operative organisation of marketing of agricultural produce. Madras has made some progress in co-operative marketing. But owing to controls and other restrictions imposed during the last decade, their progress has been somewhat hindered. I am sure that in view of the gradual withdrawal of controls co-operative marketing societies will resume their normal role and be of service to the producers. Madras has already placed on the statute book a Warehousing Act; in addition regulated markets in respect of some of the commercial crops have already been functioning. It seems to me that a synthesis of all these is called for and the relative role of these several agencies should be determined and harmonised.

Co-operative marketing development necessarily involves adequate modern storage facilities on a much larger scale than has been attempted so far. Financial assistance both from the State Government and Central Government is essential. It seems to me that a beginning may be made for the provision of such storage facilities at least in the areas selected for community projects with all the financial help that may be forthcoming for promoting rural welfare projects in such places.

Madras has made considerable progress in co-operative land mortgage banking. You have set a model for other States to follow. Of the five Central Land Mortgage Banks in the country, with a working capital of Rs. 772 lakhs, the Madras Central Land Mortgage Bank alone accounts for Rs. 565 lakhs or nearly 75 per cent of the total working capital of all the banks. Of the loans advanced by all the land mortgage banks amounting to Rs. 133 lakhs in 1950-51, the primary banks in Madras accounted for Rs. 82 lakhs. The land mortgage banking in Madras has been working on safe and sound lines. The record of service which this system has rendered so far is one, for which all concerned deserve our gratitude. I know that during the last two or three years, there has been some difficulty in floating debentures at cheap rates of interest. You know, the Reserve Bank of India raised the Bank Rate from 3 to 3½ per cent in November 1951 in view of the tightness in the money market conditions. I am not sure how far you can still expect to secure money at the old cheap rates. It is true that the Reserve Bank has been helping the central land mortgage banks in a very generous measure by subscribing for 20 per cent of each series of debentures floated by them. Even so, it seems necessary that in keeping with the trends in the money market, you should raise your rates of interest so as to make the flotation of debentures financially a success. We are grateful to the Planning Commission for the provision of Rs. 5 crores made available for long term mortgage credit for the period of the Plan. I believe the Madras Central Land Mortgage Bank will put up its

scheme and claim its share of this provision for financing land development and improvement.

Perhaps I am repeating what has been said by many others before when I say that land mortgage banks in Madras, as elsewhere in India, have been concentrating far too much on the provision of funds for redemption of old debts. It is essential that they should endeavour to finance land improvement and development so as to help exploitation of our agricultural resources. It is true that some of the old debts for the discharge of which land mortgage banks give loans, would have been contracted for purchase of land or improvement of land but you will appreciate the emphasis which the Five-Year Plan has rightly placed on the need for the exploitation of our agricultural resources; and in this context I suggest that land mortgage banks should give priority to loans which are intended for improvement of land. It will be worth while to draw up a plan of possible improvements in different regions in the State which will qualify long financial accommodation from the Central Land Mortgage Bank and in this endeavour the officers of the Agriculture, Revenue and Public Works Departments should be of real help. The resources at the disposal of land mortgage banks are not unlimited and the need for fixing priorities is obvious. There is no reason why loans for land improvement and development should not be given at a slightly lower rate.

Madras has made notable contribution to the solution of the problem of the weavers. Weavers' co-operative societies supply yarn to the weavers, pay reasonable wages to them, arrange for the marketing of cloth, give them bonus out of the profits and undertake other measures for their social and economic amelioration. The progress made by weavers' co-operatives is really remarkable. On 30th June 1951 there were 1017 societies with 1,90,525 members on their rolls. The number of looms brought into the co-operative orbit was 1.76 lakhs. The total sales effected by the societies during the year 1950-51 amounted to over Rs. 10 crores.

The Madras State Handloom Weavers' Society with its network of emporia and sale depots both within and outside the State, has been doing magnificent work by way of co-ordinating the working of primary weavers' co-operatives, by supplying yarn to them and organising the sale of cloth. In recent years, the industry has had to face two major problems. One relates to shortage of yarn and the other to the marketing of cloth. The Madras Handloom Weavers' Society and its management deserve to be congratulated on the very bold step taken by them to start a spinning mill at Guntakal—the first of its kind in India—and to produce yarn to meet at least a part of their yarn requirements. I learn that most of the machinery has arrived, that there has been considerable progress in the construction of buildings and that

the mill will go into production in a few months more. I am equally happy to learn that there is a proposal to start a second spinning mill in the South. Handloom industry, it is needless to say, is next in importance only to agriculture and deserves all help from the Government and the public. I am sure, that under the favourable conditions which now exist, your efforts to improve and expand the co-operative organisation of weavers is bound to succeed. It is necessary that apart from the question of tapping the internal market, the State Handloom Weavers' Co-operative Society should fully explore the possibilities of their trade in foreign markets with the help of the Government of India.

It is heartening to note that co-operative house building societies have recorded considerable achievement and have been sparing no effort to make substantial contribution to the solution of housing shortage. On 30th June 1952, the housing societies of all kinds numbered 293 and built up 678 houses during the year and about 1842 houses were in various stages of construction at the end of the year.

Government have been generous in providing financial help and other facilities to the societies. I, however, learn that the Budget allotment of loans to societies has been cut down. In view of the expansion of co-operative housing and the need for construction of new houses to provide shelter to an increasing urban population, larger funds are necessary for financing the societies. The co-operative banking system cannot, under its present set-up, provide funds to housing societies, and it is the duty of a Welfare State to extend help to them. We can only request the Government to approach the Government of India for a loan specially earmarked for co-operative housing schemes in Madras. The condition of the urban middle classes is, to say the least, very unhappy, and one way of helping them is, to provide facilities for cheap urban housing.

I thank you once again for the privilege you have extended to me. I have given expression to some thoughts that occurred to me. I do not pretend that the views I have expressed are in anyway original. I have made these observations more for your consideration than by way of definite suggestions. We are living in a period of great economic and social changes and our people expect many things from the Co-operative Movement. Our conduct of things in the present context should be guided not only by idealism but also by a sense of urgency and speed consistent of course, with our resources. The Co-operators in Madras are proud of their achievements in the past and I have every hope that they will rise to the occasion and fulfil the expectations which the movement has raised in the hearts of the poor people of our country.

PRESIDENT'S CONCLUDING REMARKS

Friends,

It has indeed been both a pleasure and a privilege to me to be associated with the deliberations of your Conference for the last two days. As I said in my Address, the course of co-operative activities in this State is a source of great encouragement to brother co-operators outside this State, and I am indulging in no exaggeration, not even in a temporary formal method of trying to humour my audience when I say that after reading your Report, I spoke both to the Minister for Co-operation in Bihar and also to the Registrar of Co-operative Societies of my State, that it would pay them to read the Report twice over. (*Hear, hear*). You will appreciate that I could not express my appreciation in better terms.

Friends, in this world, opportunities do not readily come every day, and those who miss the opportunity when it comes, have to wait very long before they get it again. Somehow or other, the present position in this country is that if you read the newspaper through and through, you will find some mention of co-operative work and some direction to make use of it almost every day. I was reading yesterday morning the Madras papers and I find that during the big International Social Work Conference which has been in session here in Madras, they have recommended in various directions the utilisation of the co-operative movement. That is not a small factor. The appreciation of the utilitarian nature of the movement is indeed a great one. For, as I said a moment ago, opportunities do not come in the way often and if you miss them, you have to bide time, for a long while. It is, therefore, up to us co-operators, to so act at this juncture that what was envisaged and visualised by our leaders in the past may come to fruition now.

This movement, along with this country, is undergoing certain changes and it does no good to anybody to close one's eyes against the changes. You must reckon with them. Now, perhaps, a few decades before, if an individual or institution started doing a little propaganda and publicity for itself, it was not considered to be good manners, not good culture and principle. The enlightened society of that time could not encourage it. But conditions have changed now. And why, even to-day I could not encourage in *toto* any individual to do his own personal propaganda and publicity. Everybody is busy about himself and his party. Therefore, one thing which is wrong in the movement is that there is no awareness of the co-operative movement and its activities. Therefore, before I leave you, I would draw the special attention of your Union to the primary concern to create an awareness in the mind of the people at large and enlighten public opinion, particularly about the activities of the co-operative movement.

PRESIDENT'S CONCLUDING REMARKS

Now, naturally, since I have been in Madras, I have been going through your daily newspapers, and I have seen the reports published in those papers on our deliberations yesterday, where there is certainly a prominent mention of this Conference. But it has not received that publicity, nor that emphasis on the right things stated, and it only contained a report about the Conference held. Surely, this is entirely a different kind of Conference: As I said, it is a business Conference. If you leave that portion of the work to be done by reporters of the Press, then you will always be disappointed, because here again we have not in the past created an awareness of our activities even in the Press. Therefore, the reports are just like those normally about the meetings held everyday. You should, therefore, have a good programme of publicity and propaganda, collecting information from all the different Societies from time to time and giving it due publication through the Press, so that the people in your State and outside may know how the co-operative movement is functioning. And I claim to be associated with the co-operative movement for a long time and certainly I knew that a great deal was done in Madras, though I did not know what all you had been doing. And as stated in my Address, there is hardly an aspect of life which you have not tried to tackle. In many you have succeeded. So it is necessary, in the interests of the movement that you should, from time to time, bring through the channel of the Press to the notice of the people what you have been doing in this direction and how far we could be useful, given the opportunity and the resources.

Another thing to which I would draw your attention is that in a Conference of this type, generally we have what is known as the Subjects Committee. It is in that Committee that resolutions are "screened," if I may use that term. The language used is rendered specific so that it may easily be comprehensible, not only to expert co-operators who study and deliberate upon it, but even to visitors. Now, while I was carrying on the work as your Chairman, having been in public life I kept my eyes wide open—and ears too—and I listened to a certain criticism that all the resolutions were dropped. Well when I had to choose between passing a good resolution and dropping the one which I did not consider right, the choice lay in accepting a good resolution, even though for the time being our proceedings may be subject to the criticism that most of the resolutions have been dropped; but that criticism in its own place is quite proper and, therefore, a certain amount of screening before the Conference is necessary. I, therefore, suggest for your consideration that in the next Conference you should have a Subjects Committee where these resolutions can be properly screened and the language can be made specific.

THE MADRAS JOURNAL OF CO-OPERATION

Friends, the Chief Minister of your Province, a man of vast and varied experience drew very correctly your attention to the position of men in every institution. Man indeed is the pivot of God's machinery on earth, and, therefore, one of the things to which attention has to be given very particularly and pointedly, is the enlisting of young enthusiasts and supporters of the co-operative movement in the co-operative field. I am not aware of the conditions obtaining in your State but my experience in my own Province has been that there are very few new entrants. Now that could not keep a movement going. The movement, in order to thrive and prosper and to keep going, must have the elderly leaders and then those who are going to replace them and even study them. It is only then that you can help your movement and achieve what our leaders have visualised in the past. It is, therefore, an obligation on you. As heads of your individual families, when you are growing and getting old, you look around yourselves and see those who can run the families in the future. Similarly, it is the duty of primarily all the elderly leaders in the movement to find out who are going to replace them in this very utilitarian movement. Both the official and the non-official agency could do a great deal in this direction. Let me tell you before I proceed to another point that this is one of the most important requirements of the movement. Man is the maker of not only his own destiny but perhaps the destiny of the individuals surrounding him. You should, therefore, enlist the very best men in the field if you want to thrive and go ahead.

There is another point to which I would draw your attention before I conclude. I had partially referred to it in my Address. That is with regard to the price of agricultural products. There are many of us assembled here who have a full knowledge of what happened after the 1914-1918 War which is known as World War I, when the slump came and depression started. It had its effects in all directions. It had affected the agriculturists most. I am, perhaps, treading on grounds which are not my own and may belong to a sphere quite different; but even as a layman, as one interested in the country, I am beginning to feel quite apprehensive that the effects of the depression will come sooner than most of us apprehend and even experts will apprehend. And what will be the result? Falling prices everywhere including the agricultural products with which we are most concerned. There will always be unemployment, but on a much larger scale than we can visualise. And it is our duty—it is the duty of co-operators—to see how we can get over that difficulty. I would suggest that we collect figures for a period of depression after the World War and see what we can do to get over the difficulty and with the experience of the past we may do what we can to ameliorate the conditions of those whose charge we undertake.

Friends, there are still, people—though not many, yet an appreciable number of them—who are critics of the movement.

PRESIDENT'S CONCLUDING REMARKS

Some times criticism is not very bad, because, if you hear true criticism and if you are in a good mood to see through men's difficulties, then it does good, because then you will find out what is the truth behind criticism, if there is any, and in that process you arrive at a true conclusion. But whether we are in general agreement with regard to our achievements or not, there is one thing on which people are generally agreed; and that is the motive or the objective behind the movement. I am reminded of that famous story of Abu Ben Adam. I hope many of you know it already. The story is that of Abu Ben Adam one night woke up from sleep. He saw an angel before him with a pencil and sheet of paper. He asked the angel what she was writing. The angel replied she was taking down the names of those who loved and served God. Ben Adem said: "Will you also take down my name among those who loved and served the creation of God, i.e., humanity?" The angel disappeared that night only to reappear the next night and to say to Abu Ben Adam that by God's direction, his name topped the list of those who served humanity—that high position even under the Divine dispensation. Saint Tulsidasji in his *Ramayan* said:

"The man who serves creation of Ram is better than Ram Himself." Now such is the task, friends, which we have undertaken. No one will doubt our motives or objectives. But we have to work up to it, and as I said, the opportunity somehow or other is presenting itself before us. Let us not miss it.

S. I. Ry. Employees' Co-operative Credit Society, Ltd., TIRUCHIRAPALLI.

Working Capital exceed	...	Rs. 1 Crore.
Share Capital & Reserve Fund exceed...		Rs. 22 lacs.

Fixed Deposits are accepted as under from Members and Non-members:—

For 6 months	...	3 % p. a.
" 1 year	...	3½ % p. a.
" 2 years	...	4 % p. a.

Special Deposits of Rs. 5,000 and over for periods between 3 to 6 months @ 4 % p. a.

A. MARAMA REDDY,
Secretary.

VOTE OF THANKS

Proposing a hearty vote of thanks to all those who contributed to make the Conference a success, Dr. Natesan, General Secretary of the Union said :—

Mr. President, Mr. J. C. Ryan, and Brother Co-operators,

It was on the last day of December 1949 that the 27th Madras Provincial Co-operative Conference, as it was called then, was inaugurated by the then Chief Minister, Hon'ble Sri P.S. Kumaraswami Raja and the Valedictory Address of the same was delivered by no less a personality than the Hon'ble Dr. Rajendra Prasad who was the then President of the Constituent Assembly.

While welcoming the delegates in that Conference, Sri Bikkani Venkataratnam Choudary, the Chairman of the Reception Committee, said that there was a definite agitation for the formation of an Andhra Province and that the official proposals had already been made and settled. He thought that that Conference was the last Provincial Co-operative Conference and that we would not meet afterwards in a great gathering like this. Immediately after that Conference was over, under some circumstances, the demand for Andhra Province become dormant and the Madras Provincial Co-operative Union continued to do its good work. Once again, a few months ago, after the lapse of nearly three years when I started the organisation of the 28th Madras State Co-operative Conference, along with that started the agitation for the formation of an Andhra Province. It appears as if there is an astronomical or planetary relationship between the conduct of the Madras State or Provincial Co-operative Conference and the formation of Andhra Province. Well, if the Conference is over, I do not know whether the demand for Andhra Province will be given up, (*Hear, hear*), and we would be having another State Co-operative Conference after a lapse of two years.

We have, any how, understood through the Government of India that official proposals have already been sponsored for the formation of the Andhra Province, and if this is going to be implemented within a short period, the State Co-operative Union will have to be dissolved or will have to be bifurcated into two federations.

It was my ambition, during the last few years, since the State Co-operative Union has not got its own buildings and as it has been sheltered under the charity of the State Co-operative Bank, to build up a new building of its own; and I do not know whether that desire will have to be given up in the light of circumstances that will happen.

VOTE OF THANKS

I am extremely glad that this Conference has been a great success; but it is a sad tragedy that on account of dislocation of the Railways, the cutting of the trunk lines, the snapping of telegraph wires, that a number of delegates from the North Eastern Districts, were not able to attend the Conference. Still a more tragic part of it is that the Chairman of the Reception Committee, Sri Bikkani Venkataratnam Choudary, one of the most sacred co-operators to whom I have been attached very much, who has been associated with this movement for the last thirty years, and who has been very greatly interested in this Conference and who has written out already his Address, is not able to attend this Conference. That was the only void that I felt in this Conference.

I am extremely thankful to Mr. Mahalingam, Vice-President of the State Co-operative Union, who, at the spur of the moment took up the task and in a pure and crystalised manner read out the Welcome Address and also was with us to conduct the Conference.

It was in 1950 when Mr. Venkatachalam returned from Bihar after attending the Advisory Committee meeting of the South India Co-operative Insurance Society and after he spoke to me I determined that we should invite Mr. Shyamanandan Sahaya for presiding over the next Conference. I have not met him before. We wrote to him, and the pleasant manner in which he responded to our call is a thing which I cannot forget. As I told you, I have not met him before. My Central Bank Secretary asked me how I was going to identify him at the airport. I said that was a common theme: Both of us, not being known to each other before, would blink at one another, and we would somehow identify and find out. Well, while at the airport, to my surprise I found a tall, majestic personality with an imposing appearance coming from a distance. Mr. Venkatachalam, my friend, was with me, and he spotted Mr. Sahaya. Mr. Sahaya is a combination of various features—a politician, a Member of Parliament, Vice-Chancellor of the University of Patna, and a veteran co-operator. As a co-operator, he is the President of the State Co-operative Bank of Bihar and he is also one of the Vice-Presidents of the Indian Co-operative Union.

It has been said that the co-operative movement is the movement of the poor and of the middle-class men. Probably, very often it has been said that the rich people have no place in it. I have always held a different view. The honest rich man, with a real sincerity behind him and an initiative to serve the Co-operative movement, is sometimes a greater necessity, to the greater interest of Co-operative movement than the poor man himself, and in the interest of poor man. (*Hear, hear*). We have some outstanding examples in Mr. Dalavai Kumaraswami Mudaliar, Mr. N. R. Samiappa Mudaliar, and Mr. Bikkani Venkataratnam

who are Co-operators of redounding credit, taking selfless interest in the progress of the movement. Mr. Shyamanandan Sahaya belongs to that category, and his continuance in the Co-operative movement, would be for the progress of the co-operative movement, with his unabated and sincere contribution to the growth of the co-operative movement.

Sir, on behalf of the State Co-operative Union and on behalf of the delegates gathered here, I offer you our warm and sincere gratitude for having kindly presided over our deliberations when especially you were busy with your parliamentary activities.

The Chief Minister of Madras State, is a personality whom one surely cannot reach easily. If any institution, on the occasion of a celebration, is able to get his services, it must congratulate itself. Over-burdened with the responsibilities of the State, he is not able to take to very many activities which are not closely connected with Administration. But, in spite of certain amount of despondency, at the beginning, I did not lose hope, and I pursued, and said: "Well, he is the Hon'ble Chief Minister, and co-operative movement is under his patronage: We have the right to request him to inaugurate the proceedings." And I am extremely thankful to him not only for having readily come over here yesterday morning, in spite of very many difficulties, and declared the Conference open, but also for having stayed here for nearly five hours, going through every booth in the Exhibition and to have taken great interest in it.

The Finance Minister, Mr. C. Subramaniam, belongs to Coimbatore. In two minutes, he agreed to come and unveil the portrait of late Sri T.A. Ramalingam Chettiar. To him also, my gratitude is due.

The Hon'ble Sri Sanjivayya, Minister for Co-operation whom I know very well, is one of the most humble of gentlemen, who readily agreed to hoist the Co-operative Flag, and his presence gave us any amount of encouragement.

Three Ministers, including the Chief Minister, agreed to take part in this Conference. It was an unprecedented good fortune when I rang up, the other five Ministers immediately agreed on the phone, and yesterday, we had the major portion of the Cabinet to attend the Conference.

An international personality, a person who has been adored all over the country, Dr. A. Lakshmanaswamy Mudaliar, the Vice-Chancellor of the Madras University—who has been elected as Vice-Chancellor for the fifth time—unexcelled in very many aspects in this country and many parts of the world,—he said that I entered into his room and that I would not get out of it unless

he agreed to come and inaugurate the Cottage Industries Exhibition. The affection he has for me, the amount of sincere interest he evinces in very many walks of life, are the factors which are responsible for his accepting my invitation. And it was my determination that the Vice-Chancellor who presides over the Co-operation Honours Degree, and who is also a politician and who takes an unprecedented interest in education, should also take interest in co-operation. I am extremely thankful to him for having consented to inaugurate the Cottage Industries Exhibition. He made a very interesting speech about cottage industries, especially as to how cottage industry can go to the length of manufacturing watches as in Switzerland, which is an aspect which this country also should look at and follow.

Dr. B.V. Narayanaswami Naidu is not a new personality to the City of Madras. He was the Treasurer of the State Co-operative Union, is himself an erst while Principal of this renowned College and now a Member of the Indian Tariff Commission. I wrote to him and requested him to deliver the Valedictory Address. The reply was: "When you have written, I cannot refuse". The amount of pleasure that you derive when you get such replies from Hon'ble Ministers, Members of the Tariff Commission, Vice-Chancellors, is to be appreciated by me, who sends out the invitations. I am really thankful to you, Dr. B. V. Narayanaswami Naidu for having been kind enough, in spite of your other pre-occupations, to be here to deliver the Valedictory Address.

Last, but not least—the Registrar of Co-operative Societies: Very often, he does not like that I should mention about him. But this is an occasion when one should not forget his services. The inexhaustible fund of enthusiasm, the amount of sincerity and the amount of efficiency he has been exhibiting in the progress of the co-operative movement in this Province, is not only known in this State but also in this country. The Government of India has recognised this fully well and sent him to foreign countries to introduce the spirit and ideal of co-operation. He is not only an official, but he is much more than a non-official co-operator. The amount of interest he is evincing in the formation of many co-operative institutions, is an aspect which must be appreciated by them who reap the fruits of his endeavours. The amount of drive he puts in at any Conference, the innumerable circulars that he issues to departmental officials to get the various institutions to move in a right direction, are all well-known. The move for the realisation of very large amounts for the two last series of debentures in the Central Land Mortgage Bank, the rural savings drive that was done last year, the organisation and the completion of a beautiful Gandhinagar (Adyar, Madras) under the House Construction Society at Adyar, the Township Scheme at Katpadi,

the organisation of a sugar factory at Etikoppaka, the organisation of a Spinning Mill at Guntakal and the proposed Weaving Mill in the South, are all facts showing the amount of interest he has been evincing in the progress of the co-operative movement in various directions.

Sir, for all the interest you have taken in the organisation of this Conference and for all the help you have extended to me, I am expressing my gratitude on behalf of the delegates and on behalf of the State Co-operative Union.

Probably, this is the third time we are meeting after I became General Secretary of the State Co-operative Union. There is no building in the City of Madras, to my knowledge, which will provide all the amenities that we require for holding a Conference of this magnitude. A huge, big hall, fully furnished, electrified and provided with mikes and loud-speakers, a large number of rooms for the lodging of the delegates, a number of big halls for exhibitions, a nice canteen for serving food, and various other requirements for the delegates are all found in this institution. When I approached Sri Kachapakesa Mudaliar with a request to spare this building for the Conference he told me: "Leave it to me: I will see to it". Later I wrote to him and the ready reply was that the College had been given for holding the Conference. But for this building, all the conveniences that we have provided for the delegates would not have been possible. On this occasion I offer my most heartfelt gratitude to Sri Kachapakesa Mudaliar and his Colleagues for having so kindly given this building for the conduct of our Conference. (Applause).

I must also express my grateful thanks to the Staff of the State Co-operative Union. The Office of the Union is not a huge organisation, though its activity is great. The number of staff is very limited. Sri Viswanathan Tekumalla and the other two members of the staff along with the two Office peons constitute the staff. They have contributed their mite in writing to the various institutions and making all the arrangements for the Conference.

Last but not at all least, our utmost thanks are due to the various institutions which have sent their delegates to this Conference. It has been my unique and happy experience that whenever I appealed for more contribution for the Conference these institutions always used to respond generously.

The employees of the District and Urban Co-operative Banks and a few of the Directors of the Central Co-operative Bank have also rendered valuable service for the work connected with the Conference, and our grateful thanks are also due to them.

VOTE OF THANKS

The State Co-operative Bank in an unprecedented manner offered Rs. 500 for the Conference and my colleagues on the Executive Committee also extended their unstinted co-operation for the success of this Conference. To one and all of them I extend my heartfelt gratitude.

The Bharat Scouts and the Girl Guides have also rendered us valuable service and I thank them.

Once again, I thank you all, Gentlemen, for making this Conference a great success. (Cheers & Applause):

President:—

I Thank you all, once again, and close the proceedings of the Conference. (Applause).

The Madras State Co-operative Union Examination, March 1953.

An examination for the students of the Coimbatore, Tanjore, Rajahmundry and Anantapur Institutes will be held at the respective Institutes' headquarters from 25th March 1953 to 31st March 1953 as per programme given below.

Wednesday	25-3-1953	10 a.m. to 1 p.m.	Co-operation—Historical, General and Principles.
Thursday	26-3-1953	10 a.m. to 1 p.m.	Co-operative Law.
Friday	27-3-1953	10 a.m. to 1 p.m.	Audit.
Saturday	28-3-1953	10 a.m. to 1 p.m.	Book-keeping.
Monday	30-3-1953	10 a.m. to 1 p.m.	Banking.
Tuesday	31-3-1953	10 a.m. to 1 p.m.	Rural Economics, etc.

Candidates who failed in the previous Provincial Co-operative Union Examinations held during 1942 to 1952 are hereby informed that they can also sit for the above examination.

Candidates who underwent training in the Institutes prior to 1941 have to appear and pass Part III of the examination under the new regulations for eligibility for a certificate.

In view of the subject 'Banking' having been included under Part III from the year 1945, candidates who have passed Part II in previous years need not appear for 'Banking' under Part III this year. It will suffice if they sit for Rural Economics, Sanitation, Village Panchayats, etc., only.

The examination in Theory comprises of three parts:—

- | | |
|--|-------------|
| 1. Co-operation—Historical, General and Principles | } Part I. |
| 2. Co-operative Law | |
| 3. Audit | } Part II. |
| 4. Book-keeping | |
| 5. Banking | } Part III. |
| 6. Rural Economics, Sanitation, Village Panchayats | |

Candidates who have failed in any one of the subjects of any part have to sit for the subjects comprising that Part or Parts.

The examination fee is Rs. 11 for the whole Examination for students undergoing training in the Institutes for whom the marks obtained by them in the examination will be supplied through the Institutes. However, this rule does not apply to supplementary candidates from whom the fee of Rs. 2 for furnishing marks will stand. The examination fee is Rs. 4 for each Part.

The last date for receiving the examination fees together with the application in the prescribed form is 28-2-1953. Fees must be remitted only by money order. Applications and money orders received after the said date are liable for rejection, and no complaint in this behalf will be attended to.

For further particulars please apply to:

The General Secretary,
The Madras State Co-operative Union,
379, Netaji Road G.T., Madras.

THE XXVIII MADRAS STATE CO-OPERATIVE CONFERENCE
RESOLUTIONS PASSED

I. General.

1. This Conference expresses its deep sorrow at the sad demise of Sri T. A. Ramalingam Chettiar, Prof. H. L. Kaji, Sri K. A. Nachiappa Gounder, Sri S. K. Yegnanarayana Iyer, Sri G. Sri Ram Babu Naidu and places on record their selfless service and contribution to the development of the co-operative movement in Madras State in particular and the country in general. This Conference resolves also to convey its deepest sympathy to the bereaved families.

2. This Conference greets the new Ministry of Madras State formed under the distinguished leadership of Sri Rajaji and offers its full support to the Government of Madras in their policy for the development of the Co-operative Movement in the State.

3. This Conference expresses its sympathy with those who had been victims in the Cyclone which raged over the districts of Trichinopoly and Tanjore on 30th November 1952. In view of the great devastation and loss of property caused this Conference appeals to all Co-operative Institutions in this State to liberally contribute from out of their Common Good Fund for the relief of those, who have suffered in the cyclone.

4. This Conference welcomes the resolution of the Government of India to establish a Co-operative Common wealth and calls on co operative institutions, co-operators in the State to carry on their work with missionary zeal so as to help the nation to attain its goal in the shortest possible time.

II. Planning & Community Projects.

5. This Conference is grateful to the Planning Commission for recognizing the value of the co-operatives as a suitable agency in the proposed Five Year Plan. This Conference is strongly of opinion that maximum use should be made of co-operatives for the implementation of the Plan.

6. This Conference requests the State Government to implement the recommendations of the Planning Commission contained in Chapter 10, Paragraph 22 of its Report and urges that every Ministry should accept and adopt the policy of fostering co-operative methods of business for obtaining rapid and lasting results. As an instance, the Public Works and Irrigation Departments should entrust their work to Labour-Contract Co-operatives instead of to private contractors thereby eliminating the middlemen and replacing the contractors.

7. This Conference suggests that to increase agricultural production and develop cottage industries as envisaged by the Planning Commission, the best method is to establish co-operative land colonisation societies, field labour societies and industrial co-operatives wherever possible and where there are proper personnel available.

8. This Conference requests that in Community Project areas, wherever there is genuine need and proper human material available, should be constituted (1) labour contract societies for laying roads, streets, etc. (2) house construction societies to provide houses in the rural areas

RESOLUTIONS PASSED

(3) marketing societies and agricultural improvement societies with facilities for production and marketing with provision for godowns in addition to multi-purpose co-operative societies for doing propaganda, spreading adult education, rendering maternity service and taking up health improvement work.

III. Credit Societies.

9. This Conference requests the Government to expedite the amendment of the Reserve Bank Act permitting it to lend money to co operatives to enable them to advance medium-term loans (i.e., 3 to 7 years) to agriculturists, cottage industries societies and land colonisation societies.

10. This Conference resolves to request each of the Central Banks to select one or more village agricultural credit societies affiliated to it and provide all the short and medium term financial requirements of the select societies after admitting all eligible agriculturists in the area of operation of such societies as members as a pilot measure and watch the results; this Conference further resolves to request the Reserve Bank of India to provide the necessary finances for the purpose to all such Central Banks which take up the new scheme.

11. This Conference resolves to request the Reserve Bank of India through the Madras State Co-operative Bank to consider as a seasonal agricultural operation the deepening of wells and the purchase of cattle for the purpose of giving short term credit.

12. In view of the acute drought conditions in some districts and the possibility of the accumulation of overdues from societies to Central Banks, this Conference recommends to the Madras State Co-operative Bank to take a liberal view of the circumstances and to grant extension of time to Central Banks so that the Central Banks may also do the same in the case of primary societies.

13. This Conference recommends that the bye-law 56 of the Primary Land Mortgage Banks be suitably amended so as to allow payment of bonus to the employees and the creation of Dividend Equalisation Fund and Common Good Fund as in the case of other financial institutions.

14. This Conference requests the Government to grant loans to rain-fed dry lands in the Rayalaseema and other dry areas without stipulating the condition of five years' systematic cultivation as the loans sanctioned already without that Condition are being recovered without any difficulty.

15. This Conference recommends that for the prompt recovery of arrears of the Land Mortgage Banks, the Registrar may consider the advisability of vesting the Co-operative Sub-Registrars of Land Mortgage Banks with necessary powers of execution under the Madras Co-operative Societies Act.

16. With the view that timely and effective steps are to be taken to realise the dues in the liquidated societies by way of contributory orders and to prevent credit-worthy members from evading the levy of contributory liability, this Conference resolves that the liquidators should appraise the financing banks in regard to the contribution to be levied from each member and should consult the financing banks in giving remission and in making compromise.

17. This Conference suggests that since Revenue registration is not carried on systematically the Board of Revenue may be requested to issue proceedings that Revenue registration may be effected within a fortnight from the receipt of applications from Co-operative Land Mortgage Banks for such transfer for Revenue registration.

18. This Conference resolves :

(a) to request the Government to amend the rules under the Village Panchayats' Act so as to enable Village Panchayats to lodge their funds in current savings accounts of approved Co-operative Central Banks also.

(b) Also to request the Government to permit the local bodies and Municipalities to invest their funds in the Central Banks approved by the Registrar of Co-operative Societies not exceeding the limits that may be prescribed by him once in a year with reference to the financial condition and needs of each bank instead of the present procedure of obtaining permission each time an investment is to be made.

19. This Conference requests the Government to charge a single fee for encumbrance certificates in respect of loans above Rs. 5,000 irrespective of the number of persons involved in the transaction relating to the land proposed to be mortgaged.

20. In view of the large accumulated stock of iron and steel goods with the primary societies, this Conference suggests that the wholesale stores may be requested by the Registrar to take them back and arrange for re-distribution wherever it is possible and also that the Agricultural Department may be approached for help in this matter.

21. This Conference recommends to the Government that where suspension of licences of wholesalership or cancellation is sought to be made by the Collector, the Deputy Registrar of the district should be consulted and if the Collector does not agree with the views of the Deputy Registrar the Registrar may be consulted ; in case of disagreement between the Collector and the Registrar, the orders of the Government should be obtained before passing final orders so that the interests of co-operative institutions may not be prejudiced.

22. This Conference requests the Government to instruct the Railway Authorities to give priority to Co-operatives in the allotment of wagons for moving foodgrains, oils, etc. as much difficulty is experienced in transport.

IV. Co-operative Marketing

23. This Conference notes with satisfaction the new trends in international trade in onions, chillies etc. through Co-operatives in our State and recommends to the Government that such international trade may be promoted on a larger scale in various agricultural and other commodities like potatoes, copra and pepper.

V. Weavers' Co-operatives

24. This Conference requests the Government of India to include the articles produced by our handloom industry in the trade agreements with the foreign countries.

25. This Conference appreciates the proposal of the Government of Madras to reserve certain varieties of cloth for the handloom weavers and

RESOLUTIONS PASSED

urges the Government of India to approve them in the interests of the largest section of artisans in the country.

26. This Conference requests the Government to sanction free dry crop food grains to ration card holders in the famine-affected areas till the trade comes to normal position.

27. This Conference resolves that the handloom weavers' co-operative societies and other production co-operative concerns all over the State be requested to supply on consignment basis their goods to all such primary stores as require them and are recommended by the local Deputy Registrar.

VI. House Building Societies

28. This Conference requests the Government to continue the financing of co-operative building societies to the extent required in view of the urgent need for relieving congestion in rural and urban areas.

29. In view of the need for multiplication of houses to relieve housing congestion in towns and villages, this Conference requests the Government to alienate land free of cost in favour of the society and to sanction the required interest-free loan for building low-cost houses at a cost not exceeding Rs. 3,000 each on hire-purchase system spread over 30 years.

30. While appreciating the offer of the Central Bank to finance industrial housing, this Conference requests the Central Bank to extend the benefit of free grant from this very year in respect of co-operative housing schemes for labourers and to allot a portion of the funds set apart for housing schemes for providing amenities to house building societies.

31. This Conference requests the Registrar to raise the borrowing power of house construction societies to 5 times the paid up share capital.

32. This Conference recommends that a consolidated licence for the construction of type designs of houses be issued by Municipalities in favour of each housing society instead of insisting on a separate application for each house and that Municipalities and Major Panchayats may be requested to prepare lay out plans for Housing Societies free of cost.

33. This Conference requests the Government of Madras to issue necessary instructions to the local bodies to pay such compensation as may be agreed upon for handing over to them the roads and streets, construction of which was undertaken by Co-operative Building Societies.

34. This Conference resolves that in view of the great delay in the matter of obtaining *patta* for lands sub-divided, the Registrar of Co-operative Societies may be requested to disburse the final instalment of the building loan irrespective of the production of *patta*.

35. This Conference resolves that in order to effect proper supervision of the construction of buildings financed by Government loans, Government may be requested to post a Public Works Department Supervisor in each district under the Deputy Registrar of Co-operative Societies and his valuation of the building may be taken as the basis for disbursing the final instalment by the Deputy Registrar.

36. This Conference requests the Government to urge the Corporation of Madras and the Municipalities and Major Panchayats in the districts to

exempt the members of the Co-operative Building Societies from the operation of the rule requiring the submission of plans for sanction after being certified and counter-signed by a licensed surveyor and also from the payment of charges therefor.

87. This Conference requests the Government and the Municipalities and Major Panchayats to subsidise the construction of roads and provision of such other amenities in all the Housing Co-operative Societies.

VII. Milk Supply Co-operatives

88. This Conference requests the Government that in view of the difficulty in the direct supply of cow's milk to State Hospitals, the supply of fresh and unmixed cow's milk in sealed cans may be permitted in appropriate cases to regular and well established milk dealers and that such permission to the Milk Co-operatives may be given in consultation with the Registrar of Co-operative Societies from time to time.

89. This Conference requests the Central and State Governments to issue orders that the institutions under their direct control may purchase their milk requirements from co-operative institutions in preference to private dealers wherever such facilities are available.

40. This Conference requests the Government :

- (a) to place under the control of Milk Supply Societies reserve forests etc., for grazing of cattle ;
- (b) to start model dairy in every taluk centre under the auspices of Milk Supply Societies ;
- (c) to amend suitably the Municipal or Local Bodies Act exempting the members of the Milk Supply Societies who own cattle from obtaining new licences for dealing in milk.

41. In view of the various handicaps suffered by the Milk Supply Societies in the matter of supply of milk to institutions and individuals in competition with the private dealers, this Conference requests the Government to constitute a Committee for examining the whole question of milk supply to public institutions and to make proposals for utilising the services of milk supply co-operatives in preference to private channels of milk trade on account of the public and utilitarian nature of co-operative institutions.

42. This Conference requests the Government to be pleased to enlarge the scope of the orders of the Board of Revenue in the matter of allotting town sites at concessional rates in favour of milk supply societies so as to include temple sites also for the purpose.

43. This Conference requests the Ministry of Railways and Transport to permit licences to milk co-operatives recommended by the Registrar to run milk bars at the platforms of railway stations and to allow them to sell milk and milk products and to accord them reasonable facilities in the matter.

VIII. Co-operative Insurance

44. Whereas Life Insurance on co-operative basis plays a very important part in the socio economic life of the middle and lower middle classes, viz., salary earners with limited means, artisans and agriculturists, by promoting thrift and self help, this Conference extends its whole hearted

RESOLUTIONS PASSED

support to this form of co-operative activity and exhorts all co-operators, official and non-official, to whole-heartedly interest themselves in popularising co-operative life insurance, particularly in rural areas.

This Conference calls upon all co-operative institutions, more particularly the rural societies in the State to make it a regular feature of their activities to get all their members and their dependents insured with the South India Co-operative Insurance Society, this being the only rural co-operative insurance society.

For the development of Life Insurance on co-operative basis and to safeguard the interests of Co-operative Life Insurance companies it is necessary that comprehensive legislation to regulate the working of the Co-operative Life Insurance companies in this country be enacted. Among other things the investments by Co-operative Insurance Societies in co-operative movement should receive special consideration. For the development of life insurance business on co-operative basis it is also necessary to enable all co-operatives in this country to directly interest themselves by acting as agents. For this and other allied objectives this Conference requests Co-operative Departments in the several States to use their good offices with the Union Government and persuade them to enact appropriate legislation to govern the working of Co-operative Insurance in this country.

This Conference is of the view that in the Community Project schemes inaugurated by the Government special attention should be paid to the introduction of Life Insurance on co-operative basis, as such an attempt will greatly benefit the rural and labour population in cultivating the habits of thrift and self help. The Community Projects Officers are therefore to be requested to include in their programme of work the Development of Life Insurance on co-operative basis in the community project areas.

This Conference endorses the attempt of the All India Co-operative Insurance Societies Association to federate all the existing Co-operative Insurance Societies in this country as such co-ordination is bound to promote the healthy and progressive growth of Co-operative Insurance in this country. This Conference urges the Indian Co-operative Union to take necessary steps in this direction.

This Conference enters its protest against the decision of the Executive Committee of the Life Insurance Council to abolish the concession made to members of Co-operative Societies in charging reduced rates of premiums by the Co-operative Life Insurance Societies, as this decision will retard the growth of Life Insurance in rural areas. This Conference therefore requests the Executive Committee of the Life Insurance Council to reconsider its decision.

This Conference also appeals to the State Government and the Central Government not to give effect to this recommendation of the Executive Committee in the larger interests of rural population and of the co-operative movement in this country.

IX. Audit and Supervision

45. This Conference reiterates the resolutions passed in previous Conferences with regard to separation of audit work of the Department from the Administrative side. This Conference feels thankful to the Government

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of Madras for accepting the principle of separating Audit from Administration of the Co-operative Department but expresses its profound disappointment at the afore-said policy of the separation of the two departments not having been given effect to for the last three years.

46. In view of the inability of village societies to maintain technical personnel for periodical inspection and servicing of electric motors and pump-sets, this Conference resolves to request the Government to arrange for periodical inspection and servicing of the same under the intensive cultivation scheme.

X. Co-operative Education & Propaganda

47. This Conference resolves to request the Government that :

- (a) (i) for the executives of co-operative institutions and their immediate subordinates in district societies, big primary societies and provincial societies, a separate cadre of co-operative executives should be formed on a State basis liable to transfer and eligible for promotion where possible on a State level under the State Bank's control ;
- (ii) for junior and senior clerks, for service in the district institutions and other small institutions a cadre II of employees should be formed on a district level under the control of the District Bank ;

(b) This Conference also requests the Madras State Co-operative Union that for training the personnel in the two categories, the State Union should establish a College and other necessary training Institutes; further that the Executive Committee of the State Union should go into the details of the scheme and carry out the scheme with suitable modifications in consultation with the Registrar who shall be co-opted as a member of the Committee for considering the proposals.

(c) This Conference resolves to request the Madras State Government to utilise the subsidy indicated by the Planning Committee to convert the Central Co-operative Institute into a College for training both official and non-official co-operators for higher studies under the auspices of the Madras State Co-operative Union on the Bombay model.

XI. Co-operative Employees.

48. This Conference recommends that the special by-laws relating to service conditions be also enforced in the case of non-credit societies having transactions of Rs. one lakh and over as in the case of credit institutions.

49. This Conference, in view of the delay in enacting the new piece of Co-operative legislation consisting of the Amending Bill reiterates the urgency of giving statutory powers to Pay-disbursing officers to recover loan instalments from the officials' pay regularly by re-enacting Section 28 of the Co-operative Societies Act.

50. This Conference reiterates the considered opinion of the co-operators in the State that, in view of the distinct quasi-governmental and democratic structure of the Co-operative institutions, the Shops & Establishments Act may not be applied to Co-operatives and requests the Government to give general exemption from the Act to Co-operative institutions.

RESOLUTIONS PASSED

XII. Miscellaneous.

51. This Conference requests the Government to amend Rule XXV-A framed under the Madras Co-operative Societies Act VI of 1932 by adding the following sub rule 3.

" Provided that if the Society fails to arrange for such election and the Registrar does not extend such term, as stated in sub-rule 2 *supra*, the Registrar shall appoint a Special Officer until an election is duly held."

(Referred to the Executive Committee of the Madras State Co-operative Union)

52. This Conference requests the Government of Madras and of India to encourage such co-operative institutions of primary producers of commercial crops (a) which have industrial importance, or (b) which facilitate the earning of foreign exchange, dollar or sterling, or (c) which contribute to Excise Revenue and also those which take up machanized cultivation, by giving liberally all kinds of assistance, particularly financial by way of grants, subsidies and loans.

53. This Conference requests the Government and the Registrar to make provision in the Bye-laws of Co-operative institutions against the decision of the Board of Directors regarding the admission of members.

(Referred to the Executive Committee of the Madras State Co-operative Union)

54. In view of the importance of the co-operative movement in our national economy, this Conference suggests the holding of auxiliary conferences also along with the main conference so that the discussions may be more comprehensive and helpful in the formulation and execution of policies for the building up of the Co-operative Commonwealth.

55. This Conference requests the Government to amend the Rule XVIII-A (1) (e), (2) (e) and Rule (4) by adding the following words at the end of each of the clauses specified.

"and societies formed exclusively for the employees of Co-operative institutions."

(Referred to the Executive Committee of the Madras State Co-operative Union.)

56. This Conference requests the Government and Registrar to promote the investment of the funds of liquidated societies in the Central Banks instead of in the Sub-Treasuries.

57. This Conference suggests that the information regarding the availability of seasonal goods and prices from all co-operative marketing societies in the State should be furnished to the Primary Co-operative Stores through the Madras State Co-operative Union to enable it to carry on its activities for the development of marketing and stores.

(Referred to the Executive Committee of the Madras State Co-operative Union.)

SUMMARY OF THE PROCEEDINGS OF THE 28TH MADRAS STATE CO-OPERATIVE CONFERENCE

The XXVIII Madras State Co-operative Conference was held on Saturday the 20th and Sunday the 21st December 1952 at the Panchaiyappa's College, Chetput, Madras. Sri Syamnandan Sahaya, M. P., Chairman of the Bihar State Co-operative Bank and Vice-Chancellor of the Bihar University, presided.

Over a 1,000 delegates and visitors from various parts of the State as well as from some other States and Nations attended the Conference. (A list of distinguished delegates and visitors who attended the Conference is published elsewhere in this issue). It was unfortunate that on account of the sudden dis-location of railway transport and communications in the Coastal Andhra Districts, many of the delegates and visitors from some of those districts could not attend the Conference, though some of them however managed to be present on the second day. The Chairman of the Reception Committee, Sri Bikini. Venkataratnam Choudary himself unfortunately was not able to be present in spite of his best efforts to reach Madras in time. He has expressed his regret at his inability to be present and to have the pleasure of meeting all the fellow co-operators in the State and elsewhere who attended the Conference. (His letter of apology is published elsewhere in this issue.) The organisers of the Conference expressed during the session their regret at the absence of many of the expected brother co-operators and also at their inability to postpone the Conference at such a late moment.

The Conference commenced with prayer at 9-30 A.M. The Hon'ble Sri D. Sanjeevayya, Minister for Co-operation and Housing, hoisted the Co-operative Flag. (His speech is published elsewhere in this issue.)

Owing to the unavoidable absence of Sri B. Venkataratnam Chondry, Chairman of the Reception Committee, Sri D. Mahalingam Pillai, Vice-President of the State Co-operative Union delivered the Welcome Address on behalf of the Chairman (The welcome address is published elsewhere in this issue.)

The Conference was inaugurated by the Hon'ble Sri C. Rajagopalachariar, Chief Minister of Madras. (His address is published elsewhere in this issue.)

Sri Syamnandan Sahaya, delivered the Presidential Address. (His address is published elsewhere in this issue),

The Co-operators assembled perpetuated the memory of late Sri T. A. Ramalingam Chettiar by having his portrait unveiled on the occasion. The Hon'ble Sri C. Subramaniam, Minister for Finance, Madras unveiled the portrait. (His speech is published elsewhere in this issue). As an adjunct to the Conference, a Cottage Industries Exhibition was organised and a good number of Weavers', Metal Workers', Toy Makers' societies and other

SUMMARY OF THE PROCEEDINGS

cottage industries societies participated in it. Dr. Sir A. Lakshmanaswamy Mudaliar, Vice-Chancellor of the Madras University opened the Exhibition (His address is published elsewhere in this issue).

In the after-noon before the open session commenced, a film show was held for entertaining the delegates and visitors. The Registrar of Co-operative Societies having deputed Sri A. Gopalan, Dairy Assistant, Madras to help us in this matter, he exhibited the co-operative films on Milk Supply Societies and Cottage Industries produced by the Madras State Co-operative Union. The films were much appreciated by all those who saw them.

The open session of the Conference was commenced in the after noon, Sri Syamnandan Sahaya presiding. The draft resolutions were taken up for consideration at the Open Session. Many of the Co-operators present participated in the discussions, among them may be mentioned Sri T. Narayana Pillai, Sri N. Satyanarayana, M.L.C., Sri M. S. Palaniappa Mudaliar and the representatives some of the institutions which gave notice of the resolutions. Sri J. C. Ryan, M.A., I.A.S., Registrar of Co-operative Societies, Madras took a very active part in the deliberations, by explaining the various aspects of the issues involved in the resolutions, and gave the benefit of his ripe experience in finalising many of the resolutions. The President also explained the implications of the resolutions and helped the Conference in shaping the resolutions properly. The deliberations and discussions were very interesting.

The main resolution related to Planning and Community Projects, various aspects of co-operative credit, the development of milk supply co-operatives, the yarn problem, deposits of local bodies and Major Panchayats, co-operative housing and the role which the co-operative employees could play in the co-operative movement.

In the evening the delegates and visitors were entertained at a dramatic performance at Vani Mahal at Thyagarayanagar where Sri H. Audiseshulu Naidu, Special Development Officer and some of his Assistants staged the one Act play "What the Vintners Sell (in Tamil)" written by Sri J. M. Lobo Prabhu, I.C.S., Secretary, Development Department. The Hon'ble Sri V. C. Palaniswamy Gounder, Minister for Prohibition, presided on the occasion. There was a large gathering.

At night after supper the Bharat Scouts entertained the delegates and visitors at a camp fire where they acted many amusing scenes from common life in a humorous manner. The spectators enjoyed the entertainment very much.

On the morning of the 21st December 1952, the delegates and visitors were entertained by the Wallajabad Hindu Religious School students at a physical culture demonstration, Sri Ponnuswamy Pillai, Secretary, Coimbatore-Nilgiris Co-operative Central Bank, presiding on the occasion. The demonstration was much appreciated by the delegates and visitors.

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During most part of the day the resolutions which still had to be considered were taken up and passed after some discussion.

Along side of the open session an informal meeting of the Secretaries of Central Banks and Wholesale Stores was held in the Conference premises. Sri A. Palaniappa Mudaliar, M.A., Joint Registrar of Co-operative Societies, Madras, inaugurated the proceedings and Sri C. R. K. Chetty, Secretary of the Madras State Co-operative Bank presided. Sri M. S. Palaniappa Mudaliar, Coimbatore was present as an observer. A number of topics including the action taken on the resolutions passed at the Central Banks' Secretaries Conference held during the last Tamil Nad Co-operative Conference were discussed and there was a mutual exchange of notes and ideas regarding the administrative and other work of the Central Institutions.

In the evening Dr. B. V. Narayanaswami Naidu, Member, Tariff Commission, delivered the Valedictory Address (His address is published elsewhere in this issue). The President gave his concluding remarks and the General Secretary, Dr. P. Natesan, proposed a hearty vote of thanks. *(Both these speeches are published elsewhere in this issue)* The Conference concluded with the singing National Anthem.

Scouts and girl guides and volunteers were present throughout the Conference and were of great help to the visitors and delegates.

Board and lodging arrangements were elaborately made for all those present for the Conference and all care was taken to ensure comfort and convenience in board and lodging arrangements.

JUST OUT!

Agricultural Finance in India

(With Special reference to Co-operative Movement)

By D. K. RANGNEKAR, M. COM.,

Foreword by
Prof. D. R. GADGIL, M.A., M.LITT.

The book is the first comprehensive Indian publication on the subject of rural finance. The Five-Year Plan formulated by the Planning Commission has given top priority for the development of agrarian economy, and this only emphasises the urgency for a scientific and objective study of the problem of agricultural finance. The long-felt need for such a study has been ably met by Mr. Rangnekar's work. The author, who was for some time a Professor of Commerce at the M. J. College of Commerce, Bhavnagar, is a financial journalist of repute and at present on the Editorial staff of the *Times of India*. He has brought to bear on his work all his intelligence and expert knowledge of the subject, of which he has made a special study.

The book deals thoroughly with the problem of rural finance, agricultural credit needs and agencies, marketing finance, rural indebtedness and savings, the operation of debt relief and tenancy laws, the working of co-operative banks and societies, the system of long-term credit. Special sections have been devoted to the discussion of Financial Reconstruction, the Role of the Reserve Bank of India, and Crop Insurance.

Pages 245, Cloth Bound, Price Rs. 15.

Published by: **The Co-operators' Book Depot,**
9, Bakehouse Lane, FORT, BOMBAY.

Messages

OFFICE OF THE MILITARY SECRETARY TO THE
PRESIDENT, INDIA, RASHTRAPATI BHAVAN,

NEW DELHI.

15th December 1952.

Dear Sir,

I am desired by Dr. Rajendra Prasad, President of India, to convey his thanks to the President and Members of the Executive Committee of the Madras State Co-operative Union, for their kind invitation to the XXVIII Madras State Co-operative Conference, on the 20th and 21st December 1952, at Chetput, Madras, and to say that the President regrets that it will not be convenient for him to be present on the occasion.

Yours faithfully,

(Sd.) B. CHATTERJEE

Maj-Gen. Military Secretary to the President

Raj Bhavan,

Nagpur,

9th December 1952.

I deeply regret my inability to be present on the occasion of the XXVIII Co op. Conference of the Madras State. You have got quite a brilliant array of public men to participate in the different functions associated with the Conference, but it is a great fortune that you should have secured the presence of Babu Syammandan Sahaya from outside the State. His presence in our midst is a guarantee of the successful conduct of the Conference. An ex-President who presided over the Conference session in 1926 in Madras I quite realise the critical stages through which the co-op. movement passes and the frequent necessity to revise policies and programmes from time to time, so as to secure a measure of efficiency commensurate with the growth of volume in business. And when we are aiming at a co-op. common-wealth, no branch of commerce, production and distribution may be left to individual initiative or to individual idiosyncrasy. I am sure that this Conference will mark an era of progress in the new fields of production for the land problem of India is intimately connected with collectivisation of one kind or another, and only the co-op. movement can supply the vital principle of such a re-organization.

(Sd.) B. PATTABHI SITARAMAYYA

Governor, Madhya Pradesh.

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GOVERNMENT OF MADRAS.

K. VENKATASWAMI NAIDU
Minister (Religious Endowments
and Registration)

Fort St. George,
MADRAS
12th Dec. 1952.

Sri K. Venkataswami Naidu, Minister for Religious Endowments and Registration thanks the President and Members of the Executive Committee of the Madras State Co-operative Union for their kind invitation for the XXVIII Madras State Co-operative Conference to be held on 20th and 21st December 1952 and wishes the Conference all success.

Messages received from :

1. The Hon'ble Dr. Rajendra Prasad, President, Indian Republic.
2. H.E. Dr. B. Pattabhi Sitaramayya, Governor, Madhya Pradesh.
3. Hon'ble Sri K. Venkataswami Naidu, Minister, Religious Endowments, Government of Madras.
4. The Minister of Food and Co-operative Undertakings, Ceylon.
5. The Chairman, Satara South Dt. Central Co-op. Bank, Sangli.
6. The Deputy President, Bihar Co-op. Federation, Patna.
7. The Saurashtra Gnan Prachar Sahakari Sangh, Rajkot.
8. The President, Ajmer-Merwara Provincial Co-op. Bank, Ajmer.
9. The Chairman, Bombay State Consumers' Co-op. Society, Bombay.
10. The Managing Director, The Assam Co-op. Apex Bank, Shillong.
11. The Orissa Provincial Co-op Land Mortgage Bank, Berhampur.
12. The Maharaja of Bhavanagar, President, Sourashtra Industrial Association.
13. The President, The Mysore Central Co-op. Land Mortgage Bank, Bangalore.
14. The Hon. Secretary, Shree Gujarat Pradesh Sahakar, Sangh, Baroda.
15. The Managing Director, The Indore Premier Co-op. Bank, Indore.
16. The Co-op. Central Insurance Society, Hyderabad (Dn.)
17. The President, The Cochin Cottage Industrial Co-op. Marketing Society, Trichur.
18. The Gnanaprachar Sangh, Rajkot.
19. The Coorg Provincial Co-op. Bank, Mercara.
20. The Trivandram Central Co-op. Bank, Trivandrum.
21. The Berar So-op. Institute, Amraoti.
22. The Travancore Co-operative Institute, Trivandrum.
23. The Bombay Provincial Co-op. Industrial Association, Bombay.
24. The Assam Trading Co-operatives, Gauhati.
25. The Provincial Vishwakarma Industrial Co-op. Federation, Patna.
26. The Central Grain Dealers Co-op. Syndicate, Patiala.
27. The Joint Registrar of Co-operative Societies, Lucknow.

MESSAGES

28. The Registrar of Co-operative Societies, Patna.
29. Do. Trivandram.
30. Do. Bombay State, Poona.
31. Do. Himachala Pradesh, Simla.
32. Sri G. Viswanatham Chetty, Joint Registrar of Co-op. Societies, Madras.
33. Sri R. G. Saraiya, President, Indian Co-op. Union, Bombay.
34. Sri M. G. Deshpande, Managing Director, Madhya Pradesh Co-op. Bank, Nagpur.
35. Sri S. Srinivas, President, The Mysore Provincial Co-op. Institute, Bangalore.
36. Sri M. Somappa, President, Madras State Handloom Weavers Co-op. Society.
37. Sri H. Linga Reddy, President, Bellary Central Co-op. Stores.
38. Sri M. M. Kunhirama Menon, President, Malabar Dt. Co-op. Bank, Calicut.
39. Sri A. H. Kaji, Vasanta Insurance Company, Bombay.

List of Exhibitors.

1. The Madras State Handloom Weavers' Co-op. Society, Ltd., Madras.
2. The Saidapet Weavers' Co-operative Sale Society, Ltd., Madras.
3. The Devapandalam Weavers' Co-op. Production and Sale Society, Ltd., Sankarapuram, P.O. (South Arcot Dt.)
4. The Worur Devanga Handloom Weavers' Co-op. Production and Sale Society, Ltd., Trichy Dt.
5. Komarapalayam Weavers' Co-op. Society, Ltd., Komarapalayam.
6. The Ayodhyapatnam Wool and Cotton Carpet Weavers' Co-op. Production and Sale Society, Ltd., Ayodhyapatnam.
7. The Madras City Khadi Development Co-op. Society, Ltd., Madras.
8. The Madura Mahalipatti Rope and Tape Makers Co-op. Production and Sale Society, Ltd., Madura.
9. The Cuddalore Toy Manufacturers Co-op. Production and Sale Society, Ltd., Vandipalayam, Tirupapuliyur (S. Arcot Dt.)
10. The Pannur Leather Workers Co-op. Production and Sale Society, Ltd., Pannur.
11. The Perambur Arundatheeya Leather Workers Co-op. Society, Ltd., Madras.
12. The Wallajabad Hindu Religious School Cottage Industrial Co-op. Society, Ltd., Wallajabad.
13. The Arni Ladies Cottage Industrial Co-op. Society, Ltd., Arni.
14. The Kurnool Firka Cottage Industries Co-op Federation, Ltd., Kurnool.
15. The Nadimikandriga Jaggery Co-op. Society, Ltd., (Chittoor Dt.)
16. The Kadirirayacheruvu Jaggery Society (Chittoor Dt.)
17. The Central Co-operative Printing Works, Ltd., Madras.
18. The Strathie Co-op. Engineering Workshops, Ltd., Madras.
19. C. Rajupalem Multipurpose Rural Co-op. Credit Society, Payasampalli P.O. (Cuddapah Dt.)

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List of Distinguished Visitors & Delegates.

1. The Hon'ble Sri C. Rajagopalachariar, Chief Minister of Madras.
2. The Hon'ble Sri D. Sanjeevayya, Minister for Co-operation, Madras.
3. The Hon'ble Sri C. Subramaniam, Minister for Finance, Madras.
4. The Hon'ble Sri S. B. P. Pattabhi Rama Rao, Minister for Rural Welfare, Madras.
5. The Hon'ble Dr. R. Naganna Gowd, Minister for Agriculture, Madras.
6. The Hon'ble Dr. U. Krishna Rao, Minister for Labour, Madras.
7. The Hon'ble Sri V. C. Palaniswamy Gounder, Minister for Prohibition, Madras.
8. The Hon'ble Dr. M. V. Krishna Rao, Minister for Education, Madras.
9. Shri Syamnandan Sahaya, Bihar.
10. Dr. S. A. Hussain, Co-operation & Marketing Adviser, Pakistan.
11. Dr. B. V. Narayanaswami Naidu, Member, Tariff Board, Bombay.
12. Dr. Sir A. Lakshmanaswami Mudaliar, Vice-Chancellor, Madras University.
13. Sri P. S. Kumaraswamy Raja, Former Chief Minister of Madras.
14. Sri V. V. Ramaswamy Nadar, M. L. A. Virudhunagar.
15. Sri C. S. Ratnasabapathy Mudaliar, Coimbatore.
16. Sri C. Vivekanandamurthy, Collector of Madras.
17. Sri J. C. Ryan, M. A., I. A. S. Registrar of Co-op. Societies, Madras.
18. Sri A. Palaniappa Mudaliar, M. A., Joint Registrar of Co-op. Societies, Madras.
19. Sri V. Balasundaram, I. A. S., Joint Registrar of Co-op. Societies, Madras.
20. K. Muthukrishna Naidu, Addl. Joint Registrar of Co-op. Societies Madras.
21. Sri T. Chengalroyan, Mayor of Madras.
22. Sri Prasad, Registrar of Co-op Societies, Bihar.
23. Sri G. W. Goswami, Registrar of Co-op. Societies, West Bengal.
24. Sri Kala Venkatarao, Amalapuram.
25. Mrs. J. C. Ryan, President, Women's Cottage Industries Co-op. Societies, Madras.
26. Sri Bhogaraju Venkataratnam, President, Madras Co-op. Central Land Mortgage Bank, Ltd. Madras.
27. Sri T. M. Chinnayya Pillai, President, The Co-op. Fire & General Insurance Society, Ltd. Madras.
28. Sri V. Parthasarathy, President, The South India Co-op. Insurance Society, Ltd, Madras.
29. Sri V. Venkatachalam, President, C. C. P. Works, Ltd. Madras.
30. Sri D. Sabanayagam, I. A. S. Private Secretary to the Hon'ble the Chief Minister of Madras.

Co-operative News

Salem Urban Co-operative Bank, Ltd.,

At a meeting of the Salem Urban Co-operative Bank, Ltd., Dr. K. Ramanathan, President of the Bank, presiding, the Annual Report for 1951-52 was adopted. The Bank made a net profit of Rs. 14,085-7-0 during the year and declared a dividend of 6½ per cent. A new Board of Directors was elected for the next three years; and Sri S. Govindaraja Pillai was elected President.

North Arcot Dt. Co-op. Central Bank, Ltd.

The annual general body meeting of the North Arcot District Co-operative Central Bank, Mr. B. Baktavatsalam Nayudu, M.L.A., and President presiding, adopted the annual report for the year ended June 1952, and the Budget estimates for 1952-53.

The annual report stated that the paid up share capital of the bank rose from Rs. 2,75,076 to Rs. 3,00,212-8-0 at the end of the year and the borrowings from Rs. 76,70,362-14-0 to Rs. 88,00,758-2-0 and the membership from 996 to 1,080. Loans amounting to Rs. 59,27,641-15-0 were advanced to individuals, and societies and Rs. 56,00,471-10-0 was recovered. The net profit of the year was Rs. 31,874.

Under the reorganisation scheme the report stated that 45 new co-operative societies were registered, 10 dormant societies were revived and 688 societies had introduced multipurpose activities.

Agricultural Credit Statistics.

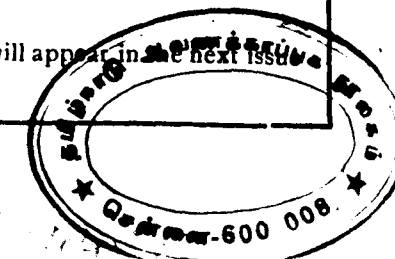
The United Nations Food and Agricultural Organisation has proposed to prepare statistics annually on agricultural credit in the member-countries of the United Nations, it is learnt. The Organisation has in this connexion issued a questionnaire on agricultural credit to elicit necessary information regarding advances, and grants made to agriculturists under the Land Improvement Act, Grow More Food Scheme, and the like.

The Late Sri L. N. Paramasivam Pillai

We regret to announce the demise of Sri L. N. Paramasivam Pillai at Lalgudi (Tiruchi Dt.) on 10-1-1953. He was 58.

Sri Paramasivam Pillai figured prominently in the public life of Tiruchi Dt. in particular and of Tamilnad in general, and had held important offices in many public bodies. In the Co-operative field, he was the promoter and President of the Lalgudi Sivagnanam Agricultural Co-operative Society. He had been the President of the Tiruchi District Co-op. Central Bank and also of the Tiruchi Central Co-operative Stores. He was the President of the Tamilnad Co-operative Federation. Outside the Co-operative Movement he was closely connected with local bodies in various capacities as Vice-President of the Lalgudi Taluk Board, President of the Lalgudi Taluk Landowners' Association and Founder-President of the Tiruchi Dt. Village Officers' Association and also the President of the Provincial Association for some time.

(A life sketch of the departed leader will appear in the next issue of this journal).



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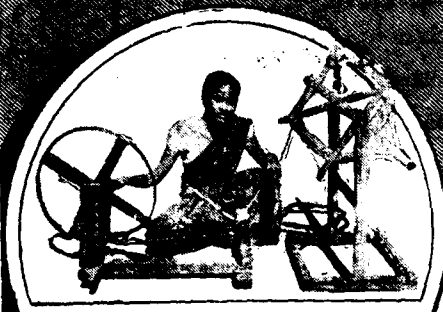
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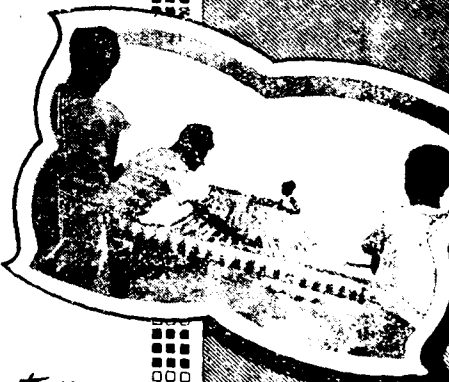
The Loan Transactions of the Society—Simple, Jewel, Mortgage and Surety loans—exceed Rs. 18 lakhs.

P. NATESAN, M.B., B.S.,
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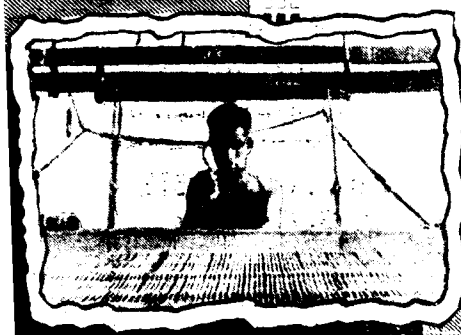
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Summary of Balance Sheet as on 30-6-'52.

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital.	20,47,600	Cash on hand & balance with Banks	48,564
Reserve and other Funds	...31,88,519	Loans to Primary Banks	...4,84,96,981
Debentures	...5,59,49,000	Sinking Fund Investments	...1,02,18,971
Deposits, Loans and Overdrafts	...28,84,882	Other Investments	...42,91,391
Sundry Liabilities	...3,66,639	Sundry Assets	...11,21,512
Profit	...3,86,279		
Total Rs....	6,41,72,369	Total	...6,41,72,369

M DATTATRAYULU, B.A., C.A.I.B.,

Secretary.

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