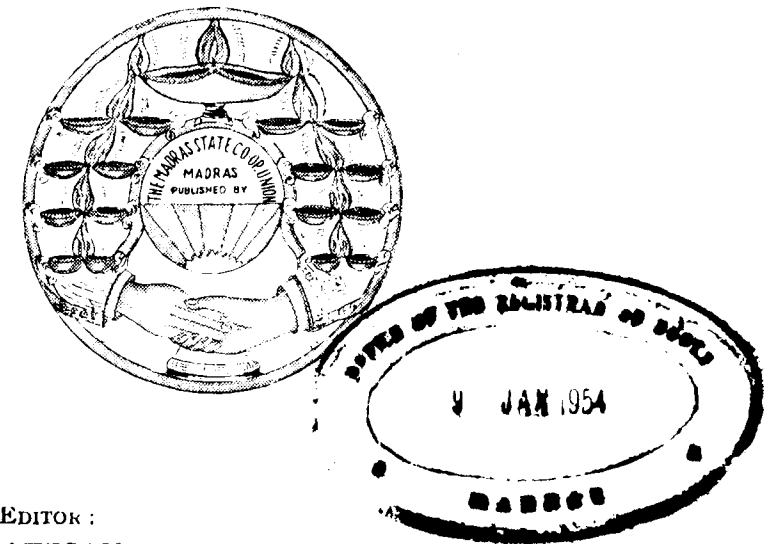


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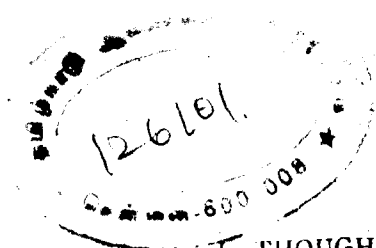
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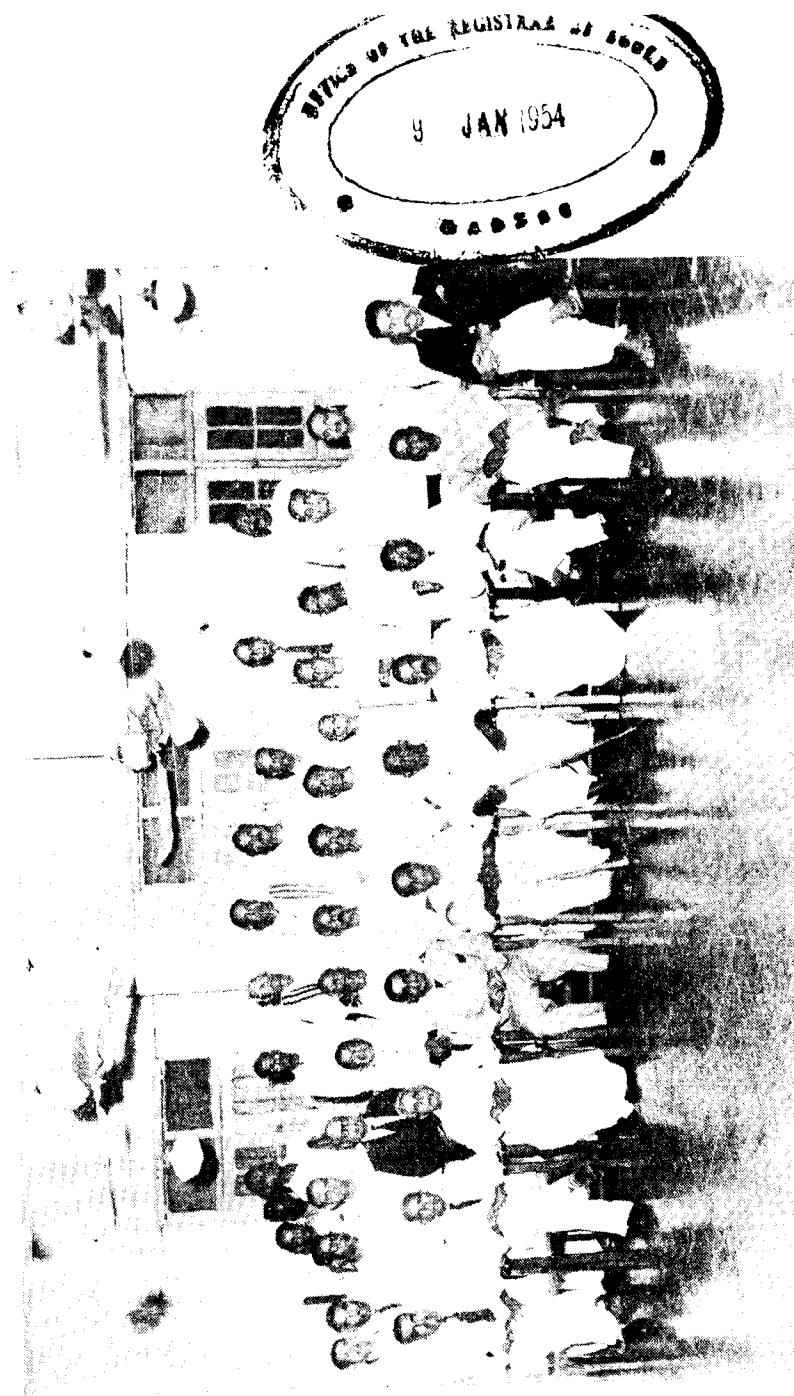
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The Board of Directors of the Madras State Co-operative Bank (5-9-53) on the eve of the Inauguration of the Andhra Co-operative Bank.

Left to right :—(Sitting) Fourth: Sri J. C. Ryan, Registrar of Co-operative Societies; Sri Bikkini Venkataratnam (President); Sri M. D. T. Kumaraswami Mudaliar (Vice-President)

THE
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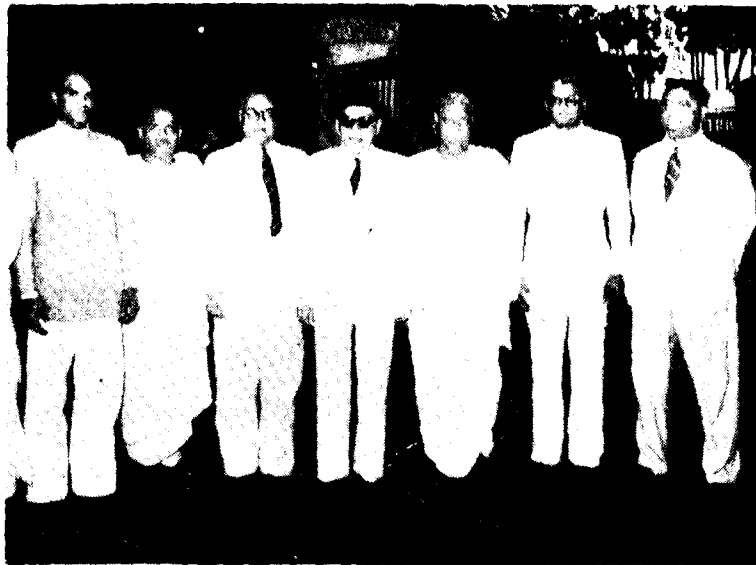
EACH FOR ALL AND ALL FOR EACH

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Sri C. M. Trivedi, Special Officer for Andhra, inaugurated the Andhra Central Co-operative Land Mortgage Bank on 5-9-53.

Left to right :- Sri M. Dattatrayalu; Sri V. Jaggaraju, Sri B. V. Subrahmanyam; Sri C. M. Trivedi; Sri V. Kodandarama Reddi; Sri Bhogaraju Venkataratnam.

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Thought for the Month

"Stream line Co-ops."

"Never have Co-ops. faced more complex or far reaching problems than at the present time. Advances in technology, transportation and communication affect the social and economic lives of all of us. Such advances have out-moded the old system of doing business. The streaming of Co-ops. is imperative, but is not without its dangers. Streamlining involves some measure of centralization of authority and control, but in co-operative enterprise membership control must be retained. Co-operative activity works from bottom upwards, not from top down. This system must somehow be retained even though business efficiency seems to demand centralization. Co-ops. tend to become tax in prosperity. We are living in precarious times and cannot afford to be complacent about economic activity."

—Summary of Speech of Mr. R. J. Mc. Sween, Director of Marketing, Nova Scotia (Canada) (From Maritime Co-operator, 1-8-'53).

Editorial Notes

The Formation of the Andhra State Co-operatives :

The month of September 1953 will ever be remembered by one and all in the country as a land mark not only in the political history of Madras but in the history of the Co-operative Movement of the State. For it was in this month of September that Co-operators have seen the formation of *three* large Co-operative Institutions at State level for the Andhra State which is to be inaugurated on the 1st of October.

Following the decision of the Government of India to form the Andhra Districts into a separate State, it was felt by numerous Co operators in Andhra and Residuary Madras areas that the bifurcation of State Co-operative institutions would be desirable in the interests of both the Andhras and their fellow Co-operators in the South. The question of bifurcation was, however, taken up in due course by the Directorates of some State Co-operative Institutions at their periodical or extra-ordinary meetings, while about the same time Sri J. C. Ryan, Registrar of Co-operative Societies, Madras, as the representative of the Government wrote to the various institutions inviting their views on the future set up of those Institutions consequent on the formation of the Andhra State. Various proposals and bases of division came up for discussion at the meetings of the societies concerned and after a few sittings the proposals were finalised. The Registrar of Co-operative Societies also gave the best of his attention to all knotty problems that cropped up and helped the Directorates of the Institutions to solve them satisfactorily and smoothly.

The preliminaries having thus been gone through, it only remained for the Government to issue a formal Ordinance directing the bifurcation of the institutions. The Madras State Co-operative Societies (Reconstitution and Formation) Ordinance 1953 was promulgated by the Government of Madras on 4-9-53 for the reconstitution of the existing State Co-operative Societies in the Madras State and formation of new societies consequent on the proposed formation of the Andhra State. The Ordinance having come into force immediately, three new societies were registered during the following few days—the Andhra Central Co-operative Land Mortgage Bank on the 5th September, the Andhra Co-operative Bank on the 6th September and the Andhra Handloom Weavers' Co-operative Society on the 14th September. All these Institutions are to become full fledged State Institutions from the 1st October when the Andhra State would be inaugurated. These three State Institutions have been inaugurated on their respective dates of registration and the proceedings of the inaugural functions of the societies have been published as an Andhra Supplement elsewhere in this issue. The Andhra Central Co-operative Land Mortgage Bank was inaugurated by Sri C. M. Trivedi, Governor-designate of Andhra; The Andhra Co-operative Bank by the Hon'ble Sri S. B. P. Pattabhi Rama Rao, the Minister

EDITORIAL NOTES

for Rural Welfare, Madras; and the Andhra Handloom Weavers' Society by the Hon'ble Sri C. Rajagopalachariar, Chief Minister of Madras. The Andhra State Co-operative Bank and Andhra Handloom Weavers' Society are located at Vijayawada and the Andhra Co-operative Central Land Mortgage Bank at Madras.

While there was evidence of a good deal of jubilation on the occasion of the inauguration of these Andhra State Co-operative Institutions, it could not be said that there was unmixed joy. For considerable sections of the Co-operative movement both in the Andhra and Residuary Madras areas seemed to have been not too happy over the idea of bifurcation, which they described as the *cutting up* of the Co-operative Movement in the State. These mixed feelings of joy and unhappiness could not probably be expressed better than in the words of Sri J. C. Ryan, Registrar of Co-operative Societies. In the course of his Address on the occasion of the inauguration of the Andhra Co-operative Bank at Vijayawada he said, "When the idea of dividing the Madras State Co-operative Bank was considered, I had mixed feelings of joy and unhappiness. I was not happy because a great institution is going to be cut up. The Co-operative Movement in Madras is the best in the whole of India and the envy of many other States. . . Co-operation in Madras has built up in 50 years a very strong financial structure. . . We are now in a position to help the Government with funds. That is the strength of the Co-operative Movement. The biggest organisation of the State Movement was the Madras State Co-operative Bank. . . When such an Institution was proposed to be bifurcated and when its affiliated societies were to be divided who would not feel unhappy?"

But not withstanding these delicate sentiments and bonds of unity over a long period, there were other considerations—considerations which Sri Ryan described as administrative, democratic and economic. The administrative reasons were that the Co-operative Movement was so closely linked up with policies of the Government that when it changed the apex institution too had to be divided. The democratic reason was that the people themselves asked for it. The bank belonged to its members and when they wanted to divide, who could stand in their way? The economic reason was that Co-operation succeeds best when there is a community of economic interests.

There was, however, one remarkable feature in this process of bifurcation: the cutting up was effected and the various institutions were brought into existence "by a painless process of fission from the parent societies of Madras." Some differences were apprehended in the course of talks of bifurcation and therefore it was provided in the Ordinance that if the Registrar's proposals were not conformed either without or with modifications agreed to by the Registrar, the State Government should refer the proposal to

a Judge of the High Court at Madras and that his decision should be final. But thanks to the spirit of give and take among the Co-operators of the Andhra and Residuary Madras areas, every thing went on smoothly without the interference of a High Court Judge. As the Registrar aptly described, "here we are to-day without having to go to a High Court Judge. We went about the matter a business like manner and in a true co-operative spirit. Each side gave and took in perfect amity."

This smooth sailing of the Movement through a few anxious months that preceded the inauguration of the Andhra State has unmistakably indicated that the Co-operators of the composite Madras State had imbibed the true spirit and ideology of the Co-operative Movement. It is a sure indication that the Co-operators transcended national frontiers and have sought to see eye to eye with fellow-workers in the field, in pursuance of a true co-operative ideology "which makes no difference between France and England, between America and Russia and between Tamil Nad and Andhra Desa."

While the Co-operative Movement in Andhra has shared equally with the Residuary Madras State the spirit of Co-operation, yet when we consider certain realities with regard to the future of the movement in the Andhra we find that the institutions there are obliged to face certain big problems. The Movement in Andhra has a fairly large numerical strength, judging from the number of societies and membership; but its main drawback seems to consist in its weak position in respect of working capital. The co-operative financing Institutions in the composite Madras State flourished—and for the matter of that, the State Co-operative Institutions in the residuary Madras State are flourishing on account of their deposits. Of course, the Reserve Bank of India and the Government of Andhra will do their best to help the Andhra State Co-operative Financing Institutions with considerable funds. Yet their chief source of funds must be deposits from the public—individuals and institutions. Now that the Andhra State has come into existence it is the duty of the Andhra public to support patronise and build up their own co-operative societies and movement. They should try to help the societies in accumulating deposits so that they may be able to help the farmer to the extent necessary. This is a period of slogans throughout the length and breadth of India for "a small savings drive." This drive seems to have gone even into the home front and many women throughout the country are being induced to help build up National Savings even by small contributions. It is highly desirable that this favourable situation should be pressed into service in Andhra by the Co-operative Movement and that the enthusiasm of men and women should be turned into good account for the movement. Only propaganda and education—a human approach

to men and women could achieve this. It is hoped that the Co-operators and Co-operative Institutions, particularly the Education and Propaganda wings of the movement will rise to the occasion and do the needful to place the Movement on a firm footing and enable it to "live up to the traditions of the Madras State Co-operative Institutions and be of benefit to the Andhra and its prosperity."

The Andhra Desa Co-operative Union has been functioning as a Regional Federation and a limb of the Madras State Co-operative Union. We understand that following the decision of the Madras State Co-operative Union also to bifurcate, this Andhra Desa Co-operative Union will shortly become a full fledged State Co-operative Education and Propaganda Institution for the Andhra. There is now a shifting of the centre of the Movement in the Andhra to Vijayawada and it will be in the fitness of things if this State Co-operative Education and Propaganda Institution also moves on to this centre, *i. e.* Vijayawada, so that it may be able to play an increasingly useful role in the Co-operative Movement, particularly at this juncture when the help of such an institution for strengthening the Movement financially and structurally is needed.

May the Co-operative Movement in the new State rise and spread in the near future to mighty proportions and shelter the peasant and the artisan against the hail storm of the capitalists!

The All India Co-operative Day—An Appeal :

The Thirty-first International Co-operative Day and the All India Co-operative Day this year falls on Saturday the 7th November. We have published elsewhere in this issue the declaration of the International Co-operative Alliance as also a message from Sri R. G. Saraiya, O. B. E. President of the Indian Co-operative Union. A novel feature of this year's celebration will be the singing of a common Co-operative song during the march of processions and at meetings. For that purpose at the suggestion of the General Secretary of the Indian Co-operative Union we have published in English a translation of the Co-operative song composed in Hindi by the late Prof. H. L. Kaji. We have instructed our language Federations to translate the song and publish the same in their Language Journals. We appeal to the Co-operators in the Andhra and Residuary States and elsewhere to celebrate the day in a fitting manner. Brief reports of the celebrations may be sent to this Union for publication in November issue of the Madras Journal of Co-operation.

The 31st International Co-operative Day

Saturday 4th July 1953.

I. C. A. Declaration.

On the 31st International Co-operative Day, the International Co-operative Alliance re-affirms the Peace Policy adopted by its Congress at Copenhagen in September, 1951.

The policy, if carried out, would remove the fear of war and assure to all peoples the enjoyment of every democratic right; it would promote economic progress and higher standards of living for the peoples of the under-developed countries; it would influence the members of the United Nations to work harmoniously together in the spirit of the Atlantic Charter; and liberate the world's raw material resources from monopolies and profit-seeking interests.

In the firm belief that the universal practice of the fundamental principles of co-operative economy would restore equilibrium in world affairs, the I.C.A. appeals to its member Organisations in 34 countries energetically to expand every form of co-operative action in industry, agriculture, commerce and social welfare, while maintaining the genuinely co-operative character of all their Institutions.

The I.C.A., in making this appeal, would remind Organisations that their success depends very largely upon their action in forming their members into real Co-operators, conscious of their individual obligations to the Movement.

Finally, while it remains convinced that the United Nations Organisations, loyally supported, can become an ever more powerful instrument for economic and social betterment throughout the world, the Alliance strongly appeals to Co-operators everywhere to press upon their National Governments the urgency of every measure of international collaboration designed to banish the fear of war, want and oppression.

All-India Co-operative Day

Saturday 7th November, 1953.

Message of Shri R. G. Saraiya, O.B.E., J.P.,
president, All-India Co-operative Union.

Brother and Sister Co-operators,

I extend to you all my cordial greetings on this the All-India Co-operative Day.

Last year, I referred to the blue prints of the Five Year Plan by which India proposes to evolve an economic and social structure suited to her own genius. The report of the Planning Commission has now been published and it gives the pride of place to the Co-operative Organisation in the following memorable words:—

“The reorientation of the economy in terms of the objectives of the Plan involves a rapid extension of the Co-operative form of organisation. The possibilities of Co-operation in the vast fields of primary production, of cottage and small-scale industries, of marketing of agricultural produce, of residential housing, of wholesale and retail trade are immense. The encouragement of Co-operative enterprise in all these fields has to be given the highest priority.”

It is all the more necessary, therefore, that the Co-operative workers in all the States and in all fields of activity should assist in building up the prosperity of the country.

Let each worker in the Co-operative Movement feel that he is an organic unit in the Co-operative life of the country, and let him put forth his best effort for the implementation of the Plan through the Co-operative Movement and thus help to work out the destiny of the country.

I would once more urge upon the Co-operative workers to organise themselves into State Co-operative Unions, where there are none, and to join through their Societies the State Co-operative Unions where they already exist. With the affiliation of all these

Co-operative Unions, in their turn to the All-India Co-operative Union, it would be possible for the Co-operative Movement of the country to work as one organic whole. Let the Co-operative Flag fly high over each Union and each Society, and be the symbol of the unity of the Movement.

The war clouds, which threatened humanity, seem to have dispersed; the tremendous problems with which the country was faced consequent on Partition have, to some extent, been solved; and a new era has been ushered in for building up the economic prosperity and strength of the country by the Co-operative endeavour of us all. Let the Co-operative Movement play a worthy part in the process.

R. G. SARAIYA,
President,

The All-India Co-operative Union.

SONG OF CO-OPERATION.

1. Go on making your life beautiful through Co-operation. Work together (pull together) and go on progressing forward.
2. This policy of the formers is the (cause of) uplift of the villages. It relieves (one of) debt and increases production.
3. By selling goods, it (co-operation) secures a higher price. It destroys brokerage and money lending business.
4. Artists (Artisans) attain success through Co-operation. Co-operation is the friend of the poor people (small farmers)
5. Feeling of brotherhood, good thoughts, good behaviour and good conduct are the basis of freedom, population and peace.
6. Go on making good price, good work and good name and always go on giving shelter to the poor.

Prof. H. L. KAJI.
(English Rendering of Prof. Kaji's Hindi Song.)

SPECIAL ARTICLES

Agricultural Co-operatives in Britain*

PETER GILES,

LONDON JOURNALIST & FEATURE WRITER

£ 74 Millions Annual Turnover

[Agricultural co-operative societies in Britain are playing an essential part in the life of the country's farming community. They are business undertakings owned and operated by voluntary associations of agricultural producers in order to provide themselves with goods and services and can be divided into three main types. The first supplies all kinds of farming equipment, the second markets farm produce and the third renders specialised services.

Though the first agricultural society in England was founded in 1867, not much progress was made till the beginning of the century. In 1901 the Agricultural Organisation Society was formed to act as a central organisation to assist individual societies and to undertake propaganda for agricultural co-operation. Since then the movement has grown steadily. In 1900, there were 19 societies in England with about 4,800 members and the business done amounted to £120,000. Today two out of every three farmers are members of one or more of the 208 societies in the country and their total turnover has risen to £74 millions a year.

In the following article the writer describes the growth of the movement in Britain, how a typical society operates and what benefits the farmers derive from these societies.]

I. When Farmers Work as a Team Growth of Co-operative Idea in Agriculture

Agricultural co-operative societies, formed by farmers who find they can do their buying and selling better as members of a team than as individuals, play an essential part in the agricultural life of most countries. In each country the exact form these societies take depends on the character of the country's agriculture and the special problems facing its farmers. But much can be learnt from seeing how the other fellow tackles his problems, and in this article I am going to discuss the place agricultural co-operative societies have in farming in Britain.

There, such societies do not do the actual work of farming—that still remains almost entirely a field for individual enterprise

* By Courtesy of British Information Services, New Delhi

—and the business they do on behalf of some of their members may be small. But since 1938 the total business done by farmers' co-operatives throughout Britain has increased from £19.6 millions (Rs. 26.1 crores) to £94.2 millions (Rs. 125.6 crores); and in England alone two out of three farmers are members of the country's 208 agricultural co-operative societies and depend in some degree on them for the buying of supplies, the selling of produce, and the provision of any one of a number of specialised services.

In England the farmers' co-operative societies market one-third of all the eggs, one-fifth of all the grain and one-tenth of all the wool produced. And since just before the war, total turnover of all the English societies has increased from £13 millions (Rs. 17.3 crores) to £74 millions (Rs. 98.7 crores) a year.

Three Main Functions

The societies vary in size from those having several thousand members and annual turnovers of £5 millions (Rs. 6.7 crores) or more down to those with a membership of 20 or less. Some of the largest manufacture their own equipment and machinery; the smallest may exist only to buy and distribute to their members small quantities of seed or feeding stuff.

In general, the three functions of the co-operative societies—buying goods, selling produce, providing services for farmer members—are done by separate societies, although some of the larger may carry out all three. But all farmers' co-operatives in Britain, whatever their size or function, have one thing in common: all are created, owned and operated by the farmers themselves and, since membership is voluntary, their success has depended entirely on the loyal support of individual members.

Farmers wishing to join a society are accepted as members when they provide a minimum amount of share capital, usually £1 (Rs. 13-5) or £5 (Rs. 66-10). And in order that they should be truly co-operative in spirit and operated only for the benefit of all members, the law requires that farmers' co-operatives should restrict to £500 (Rs. 6,666) the amount of share capital held by any one member. But each member, whether his stake is £500 (Rs. 6,666) or £1 (Rs. 13-5), has an equal say in the running of the society.

Organization

Central body for farmers' co-operatives in England is the Agricultural Co-operative Association, with its headquarters in London; there are similar associations for Scotland and Wales. These are voluntary associations: farmers' co-operatives need

not become members any more than a farmer need become a member of a co-operative society.

Commonest of the three types of society is that which buys goods for its members—fertilisers, feeding stuffs, seeds, machinery, building materials, and indeed almost everything the farmer may require for his work. Such a society, buying in bulk from producer to wholesaler, obtains for its members goods at prices lower than would be asked if those goods were bought individually from retailers, by returning to purchasing members a part of the society's profits as a dividend in proportion to the members' patronage of the society.

Societies selling their members' produce, their grain, wool, bacon, eggs, dairy and horticultural produce are of more recent development; while the service societies, offering to their members such specialist facilities as artificial insemination for cattle, grass drying, the hire of machinery, farm insurance and the like, are the most recently developed of all.

Specialised Activities

Although the activities of service societies are perhaps more colourful, buying and selling societies are the backbone of agricultural co-operation in Britain. Among selling societies are 27 specialising in the sale of eggs and poultry, with a total membership of over 33,000 and an annual turnover of over £16 millions (Rs. 21.3 crores). Seventeen specialise in the sale of fruit and vegetables; three have their own bacon factories, four specialise in wool, one even has its own flourishing livestock auction market.

Such societies can show a good deal of initiative. In Scotland the lobster fishermen of the west coast islands have formed their own co-operative selling organisation and maintain a number of pools where lobsters are stored alive until they can be flown to Glasgow. The Eastern Counties Farmers' Co-operative Association at Ipswich, which has a turnover of £3½ millions (Rs. 4.7 crores) a year, makes and sells a pea harvester which was invented by one of its members, while West Cumberland farmers, in the far north-west of England, have their own mill for producing porridge oats.

Long Clawson Dairy Limited, co-operative milk producers and distributors, make their own cheese, deliver it to customers with the milk, and even take supplies to London in their own lorry; Staffordshire Egg Producers Limited sell eggs and dressed poultry direct to the shops under their own trade mark, while Pershore Co-operative Fruit Market Limited, with sections both for auction and for direct sale, deals mainly with wholesalers, though a few retailers attend.

2. Agricultural Co-operation in Action

How A Typical Society Operates

Agricultural co-operative societies in Britain are as many and as varied as the types of husbandry which differing soils and climate have produced there.

None could be described as typical: yet the Southern Counties Agricultural Trading Society Limited, of Winchester, in the English country of Hampshire, is certainly one of the most outstanding as a business enterprise. Winchester, for centuries the ancient capital of England, is now a market town for the rich southern agricultural country which surrounds it. Here the Southern Counties Society has its headquarters; and it is some indication of the wide range of the Society's activities that its departments include one devoted to publicity, which arranges agricultural and horticultural shows, controls press advertising, and gives demonstrations, film shows and lectures on its varied activities throughout the district. It has, too, its own building department which looks after the Society's properties and plant in an area of some 5,000 to 6,000 square miles round Winchester.

A Multi-Purpose Society

The Southern Counties Society is what is called multi-purpose. It buys on behalf of its members wheat, oats, barley and other varieties of grain; animal feeding stuffs; cereal, grass, and root seeds; forage; artificial fertilisers; horticultural seeds; chemicals for weed and pest control; and a complete range of such important sundries as twine, wire netting, oils, greases and the like. It supplies, and also maintains, all makes of tractors, ploughs, mowers, combine harvesters and heavy equipment; it also supplies and installs, dairy equipment and farm electrical installations.

And yet of all the manifold services which this Society performs on behalf of its members perhaps the most unusual is the provision of water supplies—a duty which is nearly always carried out in Britain by local government authorities. To bring supplies of fresh water to its members' farms the Society makes its own pumping gear, carries out its own water surveys, bores artesian wells and installs equipment for pumping, storing and distributing to farms the water it obtains.

Flourishing Business

The Society has 22 depots and 13 shops selling corn, feeding stuffs, fertilisers, seeds and chemicals; ten repair depots and ten shops and stores deal in machinery spares and sundries, while a fleet of 129 commercial vehicles, owned and maintained by the Society, perform the heavy task of distribution. The Society, founded in 1907, has a membership of over 8,500 and a

turnover of more than £3 millions (Rs. 4 crores) a year. Its employees—of whom there are 500—have a share in the profits of the business and retire at the age of 65 on a pension to which they, and the Society, contribute.

The Southern Counties Agricultural Trading Society Limited, it is clear, is now a flourishing and a progressive business. And yet it could never have been founded, could never have survived its first few months of trading, or built itself up to its present position without that extra spirit of co-operation among its members. For power and profit—and responsibility—in such a Society are not for the few: they are for every one of the 8,500 members; and ultimately it is on that allegedly conservative individualist, the farmer, that this Society and all co-operative societies in Britain depend.

Member of Six Societies

Let us then hear what one typical farmer-co-operator has to say about the co-operative movement and his part in it. Mr. J. G. Turner, a poultry breeder of Sutton Valence, in the English county of Kent, does all his buying and selling through farmers' co-operative societies. He is a member of the Southern Counties Agricultural Trading Society and of five other farmers' co-operatives, one of which he helped to found.

"It began in this way," he told me. "Twelve of us, Kentish poultry breeders, decided in 1948 that charges for sexing chicks were too high, so we got together and guaranteed the wages of a competent sexer. In the first season we sexed 120,000 chicks and cut sexing charges by half; and from that venture has developed Kentac Chick Producers, a farmers' co-operative in which I hold the office of vice-chairman, which now hatches half-a-million chicks annually.

"I have also been a member since 1929 of Stonegate Farmers Egg and Poultry Society, Tunbridge Wells, Kent, through which Society I now sell all my eggs and poultry. This Society was founded in 1926 with a membership of ten and had in its first year a turnover of £10,000 (Rs. 1.3 lakhs). It now has between 7,000 and 8,000 members and its turnover last year was £1,800,000 (Rs. 2.4 crores). I have received as much as £52 (Rs. 693) bouns in one year on birds and eggs sold through this Society"

"Co-operation Pays"

"My feeding stuffs I buy through Kent and Sussex Farmers' Society, of whose management committee I am a member. This Society does bulk buying of commodities for its members and provides a direct delivery service of feeding stuffs to farmers in its area from London and Faversham, Kent.

"My plums and apples are handled by Sandwich and District Growers, and my wool by Kent Wool Growers, the first agricultural co-operative society in Britain to grade, bale, and present home produced wool at the London Wool Exchange."

"I am a member of these co-operative societies," concluded Mr. Turner, "because my own personal experience has proved that co-operation pays. And I have no doubt that the agricultural co-operative movement will greatly increase as the years go by and more and more farmers come to realise the value of co-operation in buying and selling, and in carrying out the day to day work of farming."

3. How Co-operation Cuts Farmers' Costs

Growth of "Service" Societies

To the two main types of farmers' co-operative society in Britain—that which buys the farmer's supplies and that which sells his produce—there has of recent years been added a third: that which carries out specialised agricultural services for its members.

This is known as the service society; and it is natural, with increasing mechanisation of farming in Britain and with the wider use of scientific methods of production, that the numbers of such service societies and the scale of their operations should also have increased.

Indeed for the farmer who wants his cows served cheaply and efficiently by means of artificial insemination, who wants to dry his grass crop and use it for winter feed, or who wants to spray his crops to eliminate weeds, the service societies provide one ready and satisfactory answer. For the cost of many of the services provided by these societies would be prohibitive if the farmer had to buy his own equipment. Much modern agricultural machinery is costly and specialised. And although it is of course possible to obtain the use of machinery on a contract basis, many farmers prefer to get the benefit of such machines by sharing them. Farmers with limited capital, therefore, often invest some of it in a service society which buys equipment, maintains it, and provides it for the use of all members at almost cost price. Thus small farmers can use modern machinery they could not afford to buy and, since the machinery is used to much fuller capacity than it would be on one farm alone, charges are lower.

Certain Limitations

Grass driers, for example, which turn mown grass into compressed cubes for feeding to stock in winter, are costly; they need skilled men and special field machinery. But such a drier,

working on a shift system to make the most of the short season, is a very efficient instrument. It may not always be easy to have grass crops from 20 farms all processed at the same period of the year. But through co-operation it is being done regularly on farms in Britain.

Some failures among service societies must be admitted, particularly among grass drying societies whose organisational problems are obvious. Yet it must be said that some grass drying societies continue to flourish in conditions which seem no different from those associated elsewhere with serious financial loss.

Some grass driers can be used to dry wet grain and Teeside Farmers, a large co-operative society in the north of England, uses its dual purpose driers for both grass and grain. It also makes feeding stuffs from members' grain at competitive prices, with the grinding and cubing machinery of the plant.

Machinery on Hire

The hiring out of machinery is another important function of service societies. Such societies have their own combine harvesters, balers, crop sprayers, and the like. The society's field foreman, responsible for their operation on members' farms, keeps in touch with the various machinery crews by travelling from farm to farm in his car, carrying with him petrol and oil for refuelling; if a breakdown occurs he can take damaged parts back for repair at the central repair depot.

Some societies own threshing machinery only and send it round to members' farms at harvest time. One society in the English county of Lincolnshire specialises in land reclamation, using its own machinery and equipment to root up trees, level and drain the ground on behalf of its members; while West Cumberland Farmers Machinery Society not only sells machinery through its 14 depots but runs its own agricultural repair service too.

Better Breed

Some societies, providing artificial insemination for their members' cattle at a cost of some 25 shillings a cow, have their own pedigree bulls, their own buildings and staff. One, with a membership of 4,500 and between 20 and 30 bulls, has its own laboratory attached to its centre in the English county of Worcestershire.

One or two farmers' co-operative societies do nothing but produce pedigree seeds. Wealden Seeds Limited, which operates widely over England, exists solely to grow and sell those new types of pedigree grass seed which have been developed at the Welsh Plant Breeding Station, Aberystwyth and which have

done much to improve the standard of United Kingdom grass-land. Members of the Wealden Seeds Society get "mother" seed from Aberystwyth, grow it under strict conditions on their farms, pass it through their own mill for cleaning and sorting and then sell it, through the society, to trade buyers all over Britain.

Hatcheries

In several areas poultry breeders have formed co-operative hatcheries. Large incubators keep the eggs in strictly controlled conditions to temperature, ventilation and humidity; and when the chicks hatch they can be sexed by the society's qualified sexer.

Some societies build barns and cowsheds, install dairy and electrical equipments; one even installs water supplies. There is another—the Agricultural and General Co-operative Insurance Society Limited—which offers fire, motor, and other forms of insurance to the farmer. And although societies which auction their members' produce are perhaps selling rather than service societies, the growers' society in southern England which has opened up its own auction market near Southampton, where produce is publicly auctioned on four evenings a week, offers a valuable pioneer service to its members. This venture has been so successful that the Agricultural Co-operative Association, to which most farmers' co-operatives belong, is to promote a similar auction on the outskirts of London.

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The Bellary Central Co-operative Stores Ltd.

Opening of the New Buildings at Bellary

23rd August 1953.

WELCOME ADDRESS

BY

SRI H. LINGAREDDI, B.A., B.L.,

President, The Bellary Central Co-operative Stores Ltd., Bellary.

Honoured Sir,

On behalf of the Bellary Central Co-operative Stores, Ltd., Bellary, I extend to you a hearty welcome to this historic city. We are exceedingly happy at the sight of your august personality in our midst to-day when the fulfilment of our long cherished desire is being celebrated with great éclat. The rare qualities of leadership and rulership are happily blended in you as your appropriate appellation itself connotes. Kumaraswamy is the generalissimo of the realm of the Gods in heaven. Kumaraswamy Raja! as the Premier of the Premier State of Madras, you have amply vindicated the rare combination of these twin traits in you by steering clear the ship of administration from the shoals and whirls of petty party strife and communal bickerings. The welfare of the State is your topmost consideration in all your dealings both private and public. You have rightly realised that 'Co-operation' is the panacea for all the economic ills the country is heir to. The co-operative movement, especially the consumer's movement, received the best attention and encouragement at your hands. You harnessed the latent forces in the Co-operatives and arranged for the fair and equitable distribution of the essential commodities through them. The Co-operatives acquitted themselves most creditably in this task and thus justified the trust you placed in them.

The Central Co-operative Stores was brought into existence in the year 1942 through the combined efforts of some of the prominent and public spirited gentlemen of Bellary. It had the rare privilege to have eminent Co-operators like Sri H. Sitarama Reddy, B.A., B.L., and Sri N. Mruthyunjaya Sastri B.A., B.L., at the helm of affairs in the initial stages. Later, I stepped into their shoes and kept up the traditions of service and efficiency, so assiduously built up by them. The Stores made a humble beginning with a membership of 317 and a paid-up share capital of Rs. 28,950. It has made rapid strides since then and has grown from strength to strength year after year. The membership rose to 900 and the share capital rose to Rs. 1,85,000. At present there are 779 members on its rolls with a paid-up share capital of

Rs. 1,25,000. The Collector of Bellary fully realising the potentialities of the Central Stores has, been freely indenting on its services for the successful execution of the various control orders issued by the Government from time to time. The Stores enjoyed the sole monopoly for the import and distribution of rice in the district. Large quotas of imported stocks such as wheat, wheat-products, millets were allotted to the Stores. The Stores also dealt in other essential commodities like sugar, kerosene, mill cloth etc. The Stores were also entrusted with the district-wide procurement of paddy and millets and it carried on this business exceedingly well by organising a network of branches and sub-depots throughout the district. During 1949-50 when the southern districts of Salem, Coimbatore, Nilgiris and Ramnad were affected with severe famine, the Central Stores, actuated with the spirit of social service, wholeheartedly co-operated with the Government and exported 5,521 tons of millets to these districts by vigorously carrying on procurement operations to the last grain available in the district. The rationing scheme (both statutory and rural rationing) was worked most successfully by the Government with the active co-operation of the Central Stores in the maintenance of the requisite standard of reserves of food grains throughout the period. Under the "Grow More Food Campaign", the Central Stores acted as the wholesale agent in the district for the equitable distribution of chemical manures and iron and steel material to the agriculturists and thus aided to step up production of food grains in the district. In short, at a time when the normal trade channels broke and the flood-gates of corruption, hoarding and black-marketing were opened, to the dismay of the people, the Central Stores with its motto "Service to humanity" rendered yeoman service to the people of Bellary District and earned their unstinted gratitude.

After decontrol new avenues of trade were explored. A mill has been installed for the manufacture of soapnut powder. As at present we are dealing in rice, dhall, soapnut powder, sugar, fuel, charcoal, coffee seeds, mill made cloth, khadder, iron materials, manures etc., It is hoped that ere long the Central Stores will be buzzing with new activities. I may be permitted to state with pardonable pride that the Bellary Central Co-operative Stores is one of the best working Central Stores in the State with the co-operation of the public and Govt. officials. The Stores has been earning a net profit of Rs. 47.7 thousands per year on an average with an average turnover of Rs. 65 lakhs. The total reserves of the Stores as on date amount to Rs. 6,70,000.

We acknowledge with a deep sense of gratitude that the Central Stores owes its present position, not a little, to your kind patronage and active assistance. We are also highly grateful to Sri W. R. S. Sathyanathan, I.C.S., Sri N. S. Arunachalam, I.C.S.,

Sri J. C. Ryan, M.A., I.A.S., Registrars of Co-operative Societies, Madras, Sri K. Subramanyam Naidu, M.A., and Sri G. Viswanatham Chetty, B. Com. (Edin.), F.R.E.S., (Lond.), Joint Registrars of Co-operative Societies, Madras, who have guided the Stores with their valuable advice and help and to popular Collectors, Sri K. N. Anantaraman, I.C.S., Sri G. Rami Reddi, I.A.S., and Sri D. R. Sundaram I.A.S. Our thanks are due to the successive Deputy Registrars and the several officers of the Civil Supplies Department for the timely help and encouragement they have given us. We are beholden to the Madras Co-operative State Bank and the Bellary District Co-operative Central Bank for their timely financial assistance and to all the members (both individuals and institutions) and to the general public for their loyal co-operation. The several Co-operative Sub Registrars who have acted as Secretaries have contributed, not a little, to the successful working of this institution with their untiring efforts and with the loyal and willing co-operation of the entire staff who always worked in a team-spirit. This is one among many Stores which is working without any hitch between the share holders, public or the directorate *interse*.

In spite of all these achievements the Stores had all along been suffering from a serious handicap. It had no proper building of its own to house its activities. Thanks to Sri G. Rami Reddi, B.A., I.A.S., the then Collector of Bellary and Sri H. Sitharama Reddi, B.A., B.L., former Minister of Madras and first President of our Stores, we could secure a suitable site in a prominent locality adjacent to the Taluk Office and near to the Railway Station. The actual construction was entrusted to Messrs V. Raja Ram Bros., and it was supervised by Sri C. R. Narayana Rao, B.E., A.M.I.E., Chartered Engineer, Madras. The total cost of the building comes to Rs. 2,85,000. As a result of their labours we see before us the beautiful, massive and the cynosure of the neighbouring eyes, which will be blessed by you presently, and which event the public have been longing to witness all these years.

Though our district is going to be disintegrated we are hopeful to keep the Stores in tact covering the 10 taluks on the analogy of the Madras Handloom Weavers' Society working now in Indian Union, with some technical changes in by-laws and serve the district as before.

In fine, I whole-heartedly welcome you, Sir, the leader of co-operation, Sri Kumaraswamy Raja, to declare this building open to-day. May God shower on you His choicest blessings.

THE MADRAS JOURNAL OF CO-OPERATION

SPEECH DELIVERED BY

SRI H. SITARAMA REDDI, B.A., B.L.

*Chairman, on the occasion of the opening of the new buildings of
"The Bellary Central Co-operative Stores Ltd."*

Ladies and Gentlemen,

I am grateful for the kindness and courtesy shown me by the Directors of the B. C. C. Stores in asking me to participate in the pleasant function of opening their beautiful building by my friend Sri Kumaraswamy Raja. The progress of the Co-operative Stores is an impressive one; from its humble beginnings to the ownership of a massive spacious and artistic building and a comfortable reserve of capital in the course of just about a decade of its career.

It took birth with the co-operation of leading officials and non-officials at a time when consumer goods were very difficult to obtain due to the War and the difficulty was particularly alarming in the availability of the food-grains. The prices were high and beyond the reach of the ordinary wage earner and the middle classes. The spirit of sacrifice and service shown by the founder share-holders laid the firm foundation truly and strongly for the enviable record of the Bellary C. C. Stores today.

I was privileged to be the first president of the stores. But my career was very short-lived as I was detained on the 9th August 1942 by the British Government as being a threat to the security of the State. I can take you all into my confidence and tell you that the detention was an undeserved compliment.

Right from the beginning, the Stores has had the co-operation of the public of the District, an essential desideratum for the success of any public institution. Not only the consumers, but the trading community has also helped the institution by not entering into any un-healthy competition with the functions of the Stores.

The progress of the Stores after de-control of food grains in the State is commendable. It has brought relief to the consumers by supplying at reasonable rates and with proper weights the several constituents that go into the cost of living of the middle and poorer classes.

To-day the world is in the grip of fear and uncertainty. In our own country, the tensions born of linguism and communalism are a source of anxiety to the administrators of the country. In the midst of sublime talks of peace and international co-operation and development of depressed areas of the world, we see the gigantic and unparalleled piling of armaments by all leading power blocs and the evolution of weapons of destruction like H. Bombs. Humanity seems to be moving relentlessly towards

THE BELLARY CENTRAL CO-OPERATIVE STORES LTD.

a precipice which ends in an abysmal depth from which, once it falls, there will be no escape. But there seems to be a silver lining slowly emerging on this dark and dangerous cloud. Men of good-will and sincerity, whose faith in the ultimate goodness of humanity and the great purpose of life to lead us into truth and happiness, are endeavouring to resolve the tensions of the world and turn the energy and resources from destructive race, to build a happier and equitable for of society where there will be equal opportunities for all and all co-operate for the good of one another.

Our Republic is wedded to the concept of a co-operative commonwealth. The role that co-operation and the co-operative movement has to play and can play is profound. It is the privilege of eminent co-operators of this country to help in the shaping of a better and happier life to the people of our country.

We are indeed fortunate in having amidst us Sri Kumaraswamy Raja whose faith in co-operation is deep and sound, to open this beautiful mansion which is at once a symbol of the faith of our District people in the principles of the co-operative movement and a hope of continued and steady development of consumer co-operatives in this area. I consider myself fortunate in being able to preside over this function. I had the privilege of laying the foundation to this building. I convey my thanks to the Directors and the President for the honour done me. I join, Sir, with the President in requesting you to open the building.

ADDRESS DELIVERED BY

SRI P. S. KUMARASWAMY RAJA,

Former Chief Minister, Madras.

Brother Co-operators, Ladies and Gentlemen,

I am deeply appreciative of the great honour you have conferred upon me by asking me to open this magnificent building which the Bellary Central Co-operative Stores Ltd., has been able to erect even within the first ten years of its history; and I am grateful to Mr. H. Linga Reddi and the Board of Directors of the Stores for having given me this privilege, which, I take it, is just a token of their affection for me as a fellow co-operator who has done some humble service in the field for over three decades now.

I entered the co-operative movement in 1920 and was the first President of the Madura Ramnad Co-operative Wholesale Stores in 1940 which I believe, was the first of its kind in the State. Ever since my entry in the movement, my faith in co-operation as a powerful instrument for the economic progress of the masses of our country has been steadily growing.

Co-operation is ever a golden concept and practice, inspiring man to subordinate his lower mind to his higher, and enabling

him to take into the embrace of his interest, the well-being of ever-widening groups of human beings; and hence it is that the great Indian National Organisation, the Congress, has set the establishment of a Co-operative Commonwealth as its great object. But unfortunately we do not hold fast to the happy ideal with steady zeal. We exhibit some fervour in co-operation when we are up against a common crisis and after the situation is managed, our interest falls. During the period of 'controls' the co-operatives were roused into extra-ordinary activity and when de-control came in, many of these Societies could not keep up the same interest. In the fight for Freedom, to what heights did our co-operative enthusiasm rise! What sacrifices we were prepared to make! But after winning Freedom, are we able to maintain at least a modicum of that fiery love of the common good? All honour, of course, to the great leaders of our country whose idealism in example and precept is ever aflame. But in the rank and file, there has been a falling off.

Just in this context of a certain general deterioration in standards of co-operative action a refreshing instance of an institution that has not allowed any lowering of the flag, deserves the nation's thanks, and it is in that mood I thank you and congratulate you on your phenomenal success, of which the building I am to open just now, is a symbol.

This fine building is a spectacular example of what co-operation can do in the sphere of distribution, and a standing and eloquent testimony to the public-spiritedness, the resourcefulness, the industry and the vision of the dynamic personalities who have been guiding the destinies of your Stores from its very inception. Within a decade, this Co-operative organisation has been able to build up reserves to the extent of nearly 7 lakhs of rupees and construct a building of its own at a cost of Rs. 2,85,000. This great achievement has been possible because of the support of 815 members who have provided its share capital and purchased their domestic requirements from it. It is also due to the assistance rendered by Government and its officers who helped it with controlled commodities and to the Hospet Co-operative Central Bank which provided it with the additional finances it needed. Above all it is due to the enlightened leadership which was provided by sincere co-operators like Sri H. Sitarama Reddi, B.A., B.L., Sri N. Mruthanjiah Sastri, B.A., B.L., and Sri H. Linga Reddi, B.A. B.L., who presided over its affairs and enjoyed the confidence of the members of this institution. Co-operation succeeds best where men of ability and character are forthcoming to serve its cause, and, it has been the good fortune of the Bellary District to find such men in adequate members.

The great and steady progress of your Stores through thick and thin gladdens the heart of every true lover of Co-operation;

and it is stimulating to learn about the timely steps then and there taken to tide over difficulties or extend the business of the Stores. I wish very much that, the story of your telling achievements is more widely known to serve as an example to other Co-operative Stores. We may well be proud also of the record of Co-operative Wholesale Stores in the State as a whole. On 30th June 1952, there were 24 such Stores, with a paid up capital of Rs. 35.66 lakhs and a reserve fund of Rs. 56.17 lakhs. They had purchased during the year 1951-52 Rs. 18.36 crores worth of stocks and disposed of Rs. 19.24 crores worth. They made Rs. 48.46 lakhs of gross profits and Rs. 14.08 lakhs of net profits.

Some people are prone to ascribe this flourishing business to controls and to the favour shown by Government. They predict bad times ahead for these institutions in a free market. They indicate particularly that, on the one hand, the managements of co-operative wholesale stores will not be able to make of judicious purchases as ordinary traders, and, that on the other hand, the members will not be loyal to them when once they are freed from controls and can purchase their requirements from whomsoever they choose. But the experience gained since June, 1952, when food grains were de-controlled and rationing was abandoned, indicates that such a gloomy prediction is baseless. The wholesale stores at Madurai, Vellore and Coimbatore, for instance, have entered the free market and begun to purchase paddy and rice in bulk in surplus districts during the harvest season and distribute them to primary Co-operative Stores piece meal until the next harvest. The large reserves they had built up during the last ten years of controls and the experience they had gained in trade in food stuffs have helped them in this direction, and they are pretty well on their way to quite as large a business in a free market as in the controlled market. The Co-operative Wholesale Stores in Rayalaseema have taken a bolder step forward and have established a federation of Co-operative Wholesale Stores at Kurnool whose function will be to purchase paddy in surplus districts, hull it and distribute it to the central stores situated in the Rayalaseema districts. It has commenced business and made good progress already. This new line of development is being watched with interest by other co-operative wholesale stores in the State which may soon emulate the example of the Rayalaseema.

As regards the doubts expressed about the loyalty of members of co-operative wholesale stores, it must be admitted that this is a real difficulty. Members of primary co-operative stores fail to appreciate the fact that the stores is their own and often make their purchase from private traders either because they provide them with credit or because they offer one or two commodities at a cheaper price than their stores. Likewise, the managements

of the primary stores make their purchase from a private wholesale dealer in preference to the co-operative wholesale stores for one reason or another, and very often for reasons of doubtful validity. It is essential that primary co-operative stores should realise that the co-operative wholesale stores is their own institution and that its success depends on the extent to which they are prepared to give it their custom. They should appreciate that the profits they contribute on every purchase come back to them from a co-operative wholesale stores but do not so revert from a merchant. It is gratifying to observe from the administration report of the Registrar of Co-operative Societies for the year ended 30th June, 1952, that during that year, the purchases of primary stores from the wholesale stores constituted 30 per cent of their total purchases as against 27 per cent in the previous year. This is a happy sign and if the progress of 1951-52 is maintained, the business of the Central Co-operative Stores with the Primary Stores is bound to increase.

At the same time, the central stores will have to adopt measures to curtail its business with non-members and improve it with members, for, the co-operative character of a consumers society lies in restricting sales to its members. When a co-operative stores sells its goods to non-members, profits are made at the hands of non members for the benefit of members, in the same way as when a private trading institution sells its goods to customers it piles up profits for its share-holders at the expense of its customers. When the controls were on, sale to non-members was insisted upon by Government, because they could not provide co-operative institutions with controlled articles for distribution only to their members. Controls were in force for the equitable distribution of food-stuffs among the general public and a co-operative which wanted controlled commodities for distribution among its members alone could not be helped by Government. But now that the controls are off, co-operatives have to revert to their basic principle of confining sales to members. Where members are disloyal, they have to adopt suitable methods for promoting their loyalty. In the Salem District, the Co-operative Wholesale Stores is transforming itself into a wholesale stores and a retail organisation. While it continues to supply its member-primary stores in wholesale it also opens branches for retail sales in places where there are no primary stores or where a primary stores is sinking or has been wound up. Individual members are enrolled in those places as members of the branch; and an Advisory Council is constituted for that branch; but the branch is run as a branch of the Co-operative Wholesale Stores and not as a separate unit. The wholesale stores appoints the staff of the branch, furnishes it with its requirements of provisions every month, fixes the prices at

which they should be sold in retail, and incorporates its branch accounts with its own at the end of every year. The branches are given representation on the board of management of the wholesale stores in the same way as the primaries are given. In other words, the Salem Co-operative Wholesale Stores is beginning to operate in the Salem District just as the Triplicane Urban Co-operative Society does in the City of Madras. I commend this line of progress for your serious consideration. I would, however, utter one word of caution *viz.* that the central stores should not endeavour to displace a primary stores even if it were a disloyal stores; for, there ought to be no competition between co-operatives.

A co-operative stores exists primarily for satisfying the consumers' need for provisions. In a deficit district the need is obvious; but even in a surplus district the need is there. For instance, the Tanjore District had recently the sad spectacle of most of its grains disappearing into the neighbouring deficit districts and the consumers there had to ask for Government stocks. If the Co-operative Wholesale Stores in that district had foreseen this and purchased the requirements of its members during the harvest and stored it near rice mills for release to its members in subsequent lean months and until the next harvest, consumers in that district would have blessed it and not asked for Government stocks.

Food grains, really, constitute the best line of business for co-operative stores. I have known some co-operative wholesale stores and even primary stores seeking to do business in consumer goods. I shall not deny that business in consumer goods can be done successfully by a co-operative stores, but to devote large funds and energies on this line will be a mistake. Attention should be concentrated more on foodgrains and groceries. During 1951-52 68.8 per cent of the total sales of primary co-operative stores were in food-stuffs and 15.3 per cent were in groceries. Cloth accounted for only 8.3 per cent and other consumer goods formed only 7.6 per cent. The need for food-stuffs and groceries felt by members of consumers societies will be greater under a free economy. I, therefore, suggest that all co-operative stores will be well advised to exploit this line of business to the full.

There is another matter which is probably agitating your minds now more than anything else—the future of your institution when seven taluks of the Bellary District pass on to the Mysore State. I shall not presume to decide the issue for you. It is a matter which should be determined by your shareholders themselves. Yet, it will not be out of place for me to state that the political division need not necessarily give rise to a division of business institutions. I am aware that the Madras Central Co-operative Land Mortgage Bank, the Madras State Co-operative

Bank and the Madras State Handloom Weavers' Co-operative Society are being bifurcated and that three institutions of the kind will be registered shortly for Andhra Desa. The division of these three big institutions cannot be avoided; for, they are provided with funds or guarantees by the State and their policies are linked up with the policies of the State. In the case of a co-operative wholesale stores which deals with commodities on cash basis the need for a division, particularly under a free economy, does not arise. The Multi-Unit Co-operative Societies Act of 1942 (India) provides for a co-operative society registered in one State functioning in another State as well. It will be under the jurisdiction of the Registrar of Co-operative Societies within whose area its headquarters are situated. Its branches situated in another State will be under the jurisdiction of the Registrar of that State who will, however, recognise the audit certificate issued by the Registrar in whose jurisdiction the headquarters of the institution are located. Therefore, there is no legal or administrative difficulty in retaining your Co-operative Wholesale Stores in its present form even after 1st October, 1953; but, as I have already said, the decision in this matter is entirely in the hands of your members.

Whether you opt for division or *status quo*, I desire to place before you one or two more thoughts common to all co-operatives, before I conclude my address. For any institution to flourish in popularity, it must establish contacts with the masses at as many points as possible, as fulfiller of their day-to-day felt needs. In my recent tour in the State of Bombay, I had occasion to visit a flourishing Co-operative Milk Supply Union where they were not content with merely purchasing milk and supplying it, which was no doubt their main business, but steps were being taken with quite good results to help the farmers in erecting sanitary cement concrete cattle standings, in putting up pumping sets at wells, in cultivating fodder and in such other necessary and conducive facilities that promoted the general contentment of the clientele, which is a vital condition for the success of any co-operative enterprise. I have been feeling since then that every co-operative concern should similarly strive to develop into a multipurpose organisation, the subsidiary services taken up, being, of course, intimately connected with the main object and business of the society. Just a single line of service pursued in isolation from other needs of the people cannot have the power to retain, much less deepen, the loyalty of customers, not to speak of attracting more members.

The next point I must invite your special attention to is the need for co-operators to reorientate their outlook, rethink their thoughts, readjust their policies and practices if necessary and rededicate themselves in the light of the Five Year Plan the

Government is now implementing, so that we can substantially help in the fulfilment of its great objectives. The Plan gives practical shape to all our cherished ideals of co-operation and affords a great opportunity for us to employ all our experience as co-operators to the fullest advantage. It calls for ceaseless nationwide co-operation at all levels and in all fields, for bringing into being the New Social Order of economic justice it envisages. There is not a single project big or small in the Plan in which the principle of co-operation has not been emphasised. A sum of Rs. 50 lakhs has been set apart for training and experiments in co-operation. For further information, inspiration and guidance on this head, one can do no better than appeal to every co-operator, every citizen, to closely study the gripping literature and statistics of the impressive Central Government Publications on the Five Year Plan. Who except the co-operators who have worked for decades in the field of co-operation can better carry to every home the message of this practical Gospel of Co-operation, which the Five Year Plan really is? That is the new great role that awaits us. And even here, the Bellary Central Co-operative Stores may give the lead.

In conclusion, I once again pay my humble tribute to the great workers who have built up such a sound organisation as the Bellary Central Co-operative Stores in so short a time and heartily wish that with the opening of this building, a new era of prosperity should be ushered in, for it. With these words, I have great pleasure in declaring this beautiful building open.

For Reliable, Durable and Guaranteed Musical Instruments *viz.*, Veena, Thambura, Gottuvadyam, Fiddle, Mirudangam, Dolak, Ganjira, Flute, Morsing, Tabela, Thavul, Pipe, Band set, Harmonium *etc.*, in various sizes

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All kinds of repairs are undertaken. Spare parts and other accessories are available.

IX Tamil Nadu Co-operative Conference

(Convened by the Co-operative Central Bank Ltd., Tanjore)

Tanjore,
20-8-1955.

CIRCULAR.

Sub:—The IX Tamil Nadu Co-operative Conference —
Convening of—at Tanjore.

The Tamil Nadu Co-operative Federation has decided to hold the IX Tamil Nadu Co-operative Conference at Tanjore on 25th and 26th of October 1955 under the auspices of the Co-operative Central Bank Ltd., Tanjore. The place of the Conference is Ramanathan Chettiar Hall, Tanjore.

2. This Conference is an important one. Matters affecting co-operative institutions on account of the separation of Andhra Province, the problem of Weavers' Co-operatives, the encouragement of Cottage Industries, the encouragement of Agricultural production through co-operatives as envisaged by the Five Year Plan and reorientation of the Stores movement are some of the items upon which Co-operators of Tamil Nadu would be called upon to find proper solution at the Conference and press their point of view upon Government. Moreover this Conference of Tamil Nadu Co-operators is being held immediately after the separation of Andhra State.

3. We therefore appeal to all the important co-operative institutions in Tamil Nadu to participate in the Conference and send liberal donations towards the expenses of the same. The donations, list of delegates and resolutions to be moved at the Conference have to be sent to the Secretary, the Co-operative Central Bank, Ltd., Co-operative Buildings, Tanjore, under advice to the Tamil Nadu Co-operative Federation, Coimbatore.

4. Details regarding the representation at the Conference etc., are furnished below:—

I Delegation:—

- | | |
|---|-------------------|
| 1. State Co-operative Institutions and Language Federations | 10 Delegates each |
| 2. Co-operative Central Banks | 5 do. |
| 3. Co-operative Central Stores | 3 do. |
| 4. Co-operative Unions | 2 do. |
| 5. Primary Stores, Weavers Societies, Urban Banks, Agricultural Credit Societies, Sale Societies, Land Mortgage Banks, Milk Supply Societies, House Mortgage Banks, Building Societies, Marketing Societies, Ex-servicemen Co-operative Societies, Cottage Industries Societies, Jaggery Societies and all other Societies. | 1 Delegate each |
| 6. The Central Banks in South Canara and the Malabar District may each send as observers. | 5 Delegates |

IX TAMIL NADU CO-OPERATIVE CONFERENCE

II Delegation Fees:—

A delegation fee of Rs. 2/- for each delegate has to be remitted.

III Boarding and Lodging:—

Boarding and Lodging arrangements have been made for the delegates and visitors who attend the Conference at the premises of the Kalyanasundaram High School, Tanjore. A fee of Rs. 6/- will be charged for each person for two days for the same. The amount has to be remitted in advance.

5. Resolutions to be moved at the Conference by the delegates have to be forwarded to the Secretary, The Co-operative Central Bank, Ltd., Co-operative Buildings, Tanjore before the 10th of October 1955 with copies to the Federation by that date. The resolutions should have the sanction of the Committees of the respective institutions.

6. Co-operative institutions are requested to fill up the enclosed delegation form and forward the same with the necessary delegation fees at an early date. Delegate cards and meals tickets would be despatched to the concerned delegates whose addresses are given; and, in the absence of proper address they would be sent to the respective institutions.

7. An Exhibition would be held in conjunction with the Conference, to which all those societies in Tamil Nadu interested in exhibiting their products are requested to reserve stalls in the Exhibition Ground around "Ramanathan Chettiar Hall" in Tanjore as early as possible by remitting Rs. 10/- as earnest fee for each, to The Secretary, The Co-operative Central Bank, Ltd., Tanjore. The amount will not be refunded to those who fail to occupy the stalls on the first day. To those who participate, it would be returned less expenses. The exhibition will be continued upto 5-11-1955 i.e., upto Deepavali, and those who want to keep their exhibits for sale will be given all conveniences upto 5-11-1955.

S. Ramalingaswamy,

Vice-President,

A. Krishnaswami Vandayar,
Chairman, Reception Committee

T. V. Ramachandra Iyer,

Secretary,

IX Tamil Nadu Co-op. Conference

The Co-op. Central Bank, Ltd.,
Tanjore.

President, The Co-op. Central
Bank, Ltd., Tanjore.

N. R. Samiappa Mudaliar

P. Alla Pichai

Vice-Presidents

M. S. Palaniappa Mudaliar

T. Narayana Pillai

Secretaries

The Tamil Nadu Co-operative Federation, Ltd., Coimbatore

Places of interest in and around Tanjore

Brahadeswarar Big Temple,

Palace,

Museum,

Mariamman Temple.

Sri Saraswathi Mahal Library.

Tanjore

Church at Velanganni.

Durga at Nagore.

Temples:—Tiruvadi, Vedaranyam, Point Calimere, Mannargudi, Veduvur, Sikkil, Uppiliappankoil, Swaminimalai.

DELEGATION FORM

IX Tamil Nadu Co-operative Conference, Tanjore.

To

THE SECRETARY,

The Co-operative Central Bank, Limited,

"Co-operative Buildings", TANJORE.

Sir,

We furnish below the details regarding the delegation of our Institution for the IX Tamil Nadu Co-operative Conference.

1. Name and address of the Institution

2. Name and address of the Delegates :

1.

2.

3.

4.

5.

3. We enclose a copy of the resolution of our Committee electing the above delegates for the Conference.

4. We enclose a cheque for Rs. _____ towards delegation fees (Rs. _____), donation (Rs. _____) and Boarding charges (Rs. _____).

Date

President/Secretary.

Seal

The Madras Govt. Servants' Co-op. House Mortgage Bank, Ltd.—Its Solid Service*

SRI L. VENKATAKRISHNAN

This Bank was originally known as the Madras Government Servants' Co-operative Building Society, Ltd., Gopalapuram and was registered on 30th April 1923. within 3 weeks of the announcement of the Government policy with regard to the financing of house building co-operative societies in April 1923. At the first meeting of the Society held on 24-5-1923, 16 members were enlisted. The society was new and there had been no experience in the city in the shape of co-operative building societies worth pointing to as a guide. As pointed out by Hon'ble Dewan Bahadur Sri P. Sivagnanam Pillai, the then Minister "this is the first co-operative building society and would serve as a model for various other institutions." The society, however, advanced rapidly because of the very great interest evinced by the first President Sri N. Gopalaswami Ayyangar of revered memory and Sri P. K. Subba Ayyar, the first Vice-President. Within one year, the membership rose to 87 and the amount of share capital increased from Rs. 190 to Rs. 31,350.

The first attempt of the society in solving the problem of housing of Government Servants was the purchase of a plot of 114 grounds in Lloyds Road, Royapettah between Mowbrays Road and Mount Road from the Official Assignee. The layout of the site was prepared and determined in consultation with the Director of Town Planning. Out of 114 grounds, 29 grounds were reserved for public purpose. The balance of 85 grounds available for building sites were divided into 51 plots in blocks. Construction of 14 plots was undertaken by the society, the members themselves having undertaken construction in the remaining plots.

On 23rd March 1925, the then Governor Lord Goschen laid the foundation-stone of the Society's office in Gopalapuram to be built in the area reserved for common purposes of the colony. Within a few years the building came to its present size.

In regard to the amenities for the original colony at Gopalapuram named after the first President Sri N. Gopalaswami Ayyangar of revered memory, the society completely laid the roads and also constructed the drains. There was no underground drainage system in Gopalapuram then. Laying of the same was done by the Corporation later on, after protracted correspondence extending over some two years. The pioneering efforts of the Society, however, bore fruit and thus the foundations of the colony in its present form, were laid.

The Second colonisation scheme taken up by the Society is what is known as Lakshmipuram, taken up in 1928-29. About 38 grounds of vacant site in Lloyds Road situated in what was called the Singarathoppu was purchased reserving about 6 grounds for roads, etc; the rest were allotted to 16 members for building houses. In this colonisation the members were asked to arrange for laying out roads, and road lighting in this colony was done after calling for tenders. The roads were laid out by the

*Extracts from the Welcome Address of Sri L. Venkatakrishnan, on the occasion of the Opening Ceremony of the Ganapathinagar on 12th July 1953.

bank and handed over to the Corporation. A piece of plot was retained for the common purpose of the colonists.

The *Third* colonisation scheme taken up by the society was what is now known as Sri Ramnagar. A big block of land covering about 202 grounds at the Southern end of Mowbrays Road was purchased from the Official Trustee of Madras. Another triangular plot of land adjoining the same was also purchased from the Bishop of Mylapore. The land was parcelled out into 42 plots. Again, after protracted correspondence with the Corporation, the colony was completed, the Bank itself laying the roads.

In 1945 the Madras Government Servants' Co-operative Building Society Ltd., was constituted into the Madras Government Servants' Co-operative House Mortgage Bank, Ltd., Gopalapuram with a paid Secretary. This was done because in the original society money could be advanced by the society only for new constructions and practically all the loans advanced had been repaid to a very large extent. It was considered that the activities of the society should be enlarged so as to be more useful to its members and it was decided that loans should be advanced to its members who are all Government Servants for such purposes like marriages of children of members, discharge of prior debts incurred by them, improvements to the constructions, purchases of new houses, etc. As Government could not finance for such purposes under its existing schemes of advance to housing societies, it was decided that the society should thereafter be financed by the South India Co-operative Society Ltd., and with the help of Sri J. C. Ryan, the Registrar of Co-operative Societies, an agreement was arrived at between the Society and the Bank under which the Society agreed to liquidate the amount due by the Bank to Government by advancing loans repayable in 20 years. The bylaws of the Bank were also suitably revised to fit in with the new scheme sanctioned by the Department.

The *fourth* housing scheme to be started by the Bank was in Mandavalli. This was started during 1943-44 and dragged on till about 1948-49. The Bank decided to purchase about 50 grounds near Norton Lane, Mandavalli and layout plots in accordance with the scheme prepared by it. The land was purchased from one Sri C. Sambanda Mudaliar. In this colonisation scheme, the Bank did not lay the roads and other amenities but it was given to the Corporation to lay them. The Corporation took a fairly long time over it and the scheme was completed only in 1949. There were 25 plots in this colony.

Coming now to the history of the present Ganapathinagar colonisation scheme, the land for this colony was purchased from Sri C. Solai Naicker and his sons for a sum of Rs. 20,000. The extent of this block is about 60 grounds. Certain persons employed in the Posts and Telegraphs Office wanted to form themselves into a co-operative society for this area but as there was already existing, a society in this Bank which could take up and run the scheme, the Bank was approached by them. The Bank readily agreed and the members deposited with the Bank the sale price of the site. The Bank thereupon proceeded with the scheme. It was found that this plot was partly in St. Thomas Mount Cantonment limits and partly in the Corporation limits. It was, therefore necessary to prepare layout plans which would suitably divide the area into building sites. This was done so as to have each plot either entirely in the Corporation limits or the Cantonment

limits. The block of land was divided into 20 building sites and submitted to the Corporation and the Cantonment Board of approval. After protracted correspondence between the Cantonment authorities, the Corporation and the Bank, the layout was sanctioned by both the Cantonment authorities and the Corporation. One difficulty that had to be solved before the layout was sanctioned was with regard to the taking up mains for electricity from the Cantonment area. The approval of the Military authorities was, however, obtained by the Cantonment authorities and the Military authorities said that they had no objection to the layout of the Ganapathinagar and laying of the electric cables for lighting the roads. The Corporation was, thereupon, requested to sanction the scheme without further delay. The Corporation then informed the Bank that the layout would be sanctioned provided the Bank paid the necessary improvement charges. The original estimate prepared by the corporation amounted nearly to Rs. 30,000.

As it was felt that this was too high an estimate, the Corporation was requested to revise it and it reduced the estimate to Rs. 20,000. With the concurrence of the Corporation the roads were laid by the Bank. The portion of the road on the Cantonment limits was also laid by the Bank.

The Bank also decided at the same time to repair and reconstruct the common well situated in the common plot reserved for the common purpose by the Bank. The cost of land including cost of amenities works out to Rs. 1,100 per ground.

The entire road portion was laid within a period of about 6 months including a main culvert at the junction of the G.S.T. road and two smaller culverts at the junction of the cross roads. The Corporation thereafter laid the lighting for colony and we must thank the Corporation for the quickness with which they have laid the lighting. The Corporation has also agreed to take over the roads and only the usual formalities before the roads are actually taken are awaited. We hope this will be done early. When the M.E.S. authorities were approached to give individual connections to persons who have constructed their houses, they were kind enough in a short space of time to draw the mains from the G.S.T. Road and give house connections. Though it took a fairly long time in the initial stages, the amenities have been provided within a short time. Four houses have already been completed and the remaining houses are expected to be completed within one year. We are very grateful to the Cantonment authorities especially its Executive Officer and the Corporation of Madras and the M.E.S. authorities for the quickness with which they acceded to our requests and thus helped the practical completion of the colony. The entire colony except for about 4 houses is expected to be financed by the Bank.

One or two amenities, however, remain to be provided for the colonists. The most important is the supply of water to the colonists. The Bank has done a very great service to the colonists by re-constructing the well in the common plot which is of 12 feet diameter. Fortunately, there is a very good spring in the well and it has been estimated that there would be sufficient water not only for abundant supply to the colonists in the area but also to nearby houses in the locality which are rapidly springing up. The provision of a common water supply scheme for an area like this which is practically in the outskirts of the Southern end of the Madras City and

which cannot in the foreseeable future be served from the Kilpauk mains from Redhills and which cannot also be expected to be served by water supply at Ikkattutungal, cannot be over-emphasised. The Bank, therefore, requested the Corporation to give water supply from the existing well by the erection of one overhead tank and fixing of a motor pump. The Corporation, we are grateful to say, has agreed to this in principle, but feels that as only a few houses have been constructed in this area, it is rather premature to construct overhead tanks and supply water from the well to the residents. It has, therefore, agreed to maintain the handpump fitted to the well by the Bank and the Bank has agreed to it. The Bank is, however, pressing the Corporation to instal an overhead tank to give regular water supply. The Bank will assure the Corporation that houses are fastly springing up in this area and ere long the colony would be full of houses. The Bank feels that it would not be reasonable to delay any further the installation of overhead tanks by the Corporation as it would be an inducement not only to the colonists but also to people around who build their houses and this will solve at least to a little extent the housing problem in the City. The Bank would, therefore, urge the Corporation to take up the scheme without any further delay and to complete it within this year itself, if possible.

Another amenity that will be necessary for the colonists in the near future is a common meeting place for their cultural activities and a place for the running of a provision stores. Within this area, there are no good provision stores or vegetable stalls for the use of the people around. A common plot has been reserved by the Bank for the construction of a building for such purposes as running of a stores, vegetable stalls, reading room, etc. The wherewithal for this purpose has to be found as early as possible and it is for the colonists themselves mainly to see that they get this amenity as early as possible.

Another improvement that is to be effected in this colony is storm water drainage system. The outlet for storm water is not very perfect and water stagnates mainly because the cultivators on the west of the colony are cutting open the drainage channel bund opposite to mile 7/6 of the G. S. road at the turning portion, so much so the storm water from the drainage channel floods in this area. We have already requested the Cantonment authorities to take necessary steps to prevent cutting of this channel bund and we hope that they will take necessary action in the matter.

At the entrance of the colony which lies in the Cantonment area street lighting is required and we hope the Cantonment authorities will provide at least one light at the entrance.

It may be mentioned here that the road to the extent of nearly 300 feet joining the G. S. T. road with the Corporation Road with a huge culvert at the entrance is within Cantonment limits and is now a private road and has cost us a good lot of money. We also propose to request the Cantonment authorities to take over this private road and maintain it just as the Corporation has taken over the road within its limits.

With the development of this colony, the Bank has completed the fifth scheme of colonisation. We hope that the Bank has been doing its bit in solving the problem of housing in this capital City.

It may be interesting to point out that the Bank purchased nearly 40 acres of land just on the outskirts of the Madras City in the Arcot Road for the purpose of colonisation. This scheme has not materialised for various reasons.

Another important activity of this Bank which may be of general interest is the running of a high school for girls. The colonists of Gopalapuram have been running an elementary school ever since the formation of the colony. The Bank took over the management of the school in 1940 and it has since then been running it. As every one is aware, it is not an easy task to run a school — especially a girls' school. The Bank has, with all its difficulties been running the school, and, I may say, running it successfully without much of outside help. In 1946 the Elementary school was converted into a high school with the opening of Form IV. I may say that though the school was running at a loss in the initial stages, we expect that it would be running without any loss to the Bank hereafter. The first batch of students who were sent up for the S. S. L. C. Examination have scored a very high percentage of passes in the Public examination. The school is however, suffering for want of adequate accommodation.

Another direction in which the Bank has been useful to its members was the purchase and sale of iron and steel materials to its members when these were in great demand.

It may also be mentioned that the Bank was running a brick chamber from 1947 till June 1951 when it was sold to the South India Corporation Ltd., Madras. Though the brick chamber was running at a profit, it was found rather difficult to manage it with honorary office-bearers. I may mention here that this is the only Co-operative Institution which has been successful in having such multifarious activities such as running of the school, the brick chamber, etc.

This is one of the oldest Co-operative Institutions in the city and one of the largest of its kind and I may be pardoned for saying a few words about the activities and progress of the Bank since its inception.

The number of members on the rolls of the Bank at present is 447 and the paid-up share capital is Rs. 4,74,000. The total amount of loans paid to the members including share capital comes to Rs. 36,28,000 and outstanding Rs. 17,94,887 and as the total amount of share capital limit has been found to be insufficient the General Body has passed a resolution at its meeting held on 13-6-58 increasing the limit of the share capital to 8 lakhs. There has been a great demand from members and more members are joining daily. The recent order of the Government limiting the grant of loans to members of Co-operative Housing Societies to those whose pay does not exceed Rs. 200 per mensem and fixing the maximum limit of the loans to Rs. 3,000 per house has created a higher demand for loans than till now. It may also be said here that this Society is one which lends at the lowest rate of interest. Till recently, the rate of interest of loans granted was only 5 per cent but in view of the stringent money market the interest had to be raised to 6 per cent and because our borrowing rate was increased from 4½ to 6 per cent by the South India Co-operative Society Ltd. Madras who are our sole financiers. I may be failing in my duty if I do not thank the South India Co-operative Insurance Society, Ltd. which has been continuously financing the Bank since 1945. The Society has been

readily helping the Bank whenever it required funds and I may take pride in saying here that the Society gives to this Bank the greatest preference in the matter of advancing moneys in spite of various demands on it for funds. The total number of loans so far granted by the Bank and outstanding is 315—

From the above, it will be seen that the Bank has been performing useful function for the last 30 years. May I now request you, Sir to declare this colony open.

GANAPATHINAGAR COLONY—OPENING FUNCTION

SPEECH BY HON'BLE SRI D. SANJIVAYYA, B.A. B.L.,

Minister for Co-operation and Housing, Government of Madras at 9 a.m.
on Sunday the 12th July 1953.

In thanking the President and those present at the gathering for the warm welcome rendered to him, the Hon'ble Sri D. Sanjivayya, B.A. B.L., Minister for Co-operation and Housing, Government of Madras spoke as follows :—

Ladies and Gentlemen,

It gives me great pleasure to declare open this, the Ganapathinagar colony, this morning. At the outset, let me thank the President and other members of the Madras Government Servants' Co-operative House Mortgage Bank, Limited, Gopalapuram, and other visitors here, for giving me a cordial welcome on this auspicious occasion. You have been kind enough to invite me here and asked me to declare open this newly built colony. You have been listening to the welcome address presented by Sri L. Venkatakrishnan and I have no doubt, whatsoever, that every one of you will appreciate the excellent manner in which this Bank has been running and how it has been useful to its members. This is the fifth colony built by the Bank, the first being Gopalapuram, the second at Lakshmiapuram, the third at Sriramnagar and the fourth at Mandavalli, and they have also another scheme in view which has not materialised so far. They are trying to expand their activities in this direction and I should, first of all, thank this Bank for this reason that they have been helping the Government servants and in a way the Government by solving the housing problem in the city to the extent possible, because I know how difficult it is to provide accommodation in big cities like Madras. In fact, the Government had a programme to build houses through Co-operative House Building Societies, but it was not so easy as was the case here, in this Bank. The procedure followed is simpler and easier. Here, the member takes a loan and he takes his own responsibility in constructing the same under his own supervision, by himself taking leave for a month or two or even more according to necessity, whereas in other house-building societies, this is not the case. For example, I shall narrate in brief, my own experience in regard to a colonisation scheme at Guntakal of which I was the President. Quite a large number of buildings were constructed up to the roof level, when, the Engineer who inspected the built portions demanded that the construction required rebuilding as it was not in accordance with the standards required. There were a lot of other difficulties confronting the house construction, viz. supervision by the Engineering department, the Co-operative Department who advance loans and the like which ultimately

prolong the period of construction under difficulties to be overcome at every stage, while, no such difficulty is experienced in the case of buildings constructed by the members of the Bank on the loans raised by them in this Bank (subject to the approval of the Corporation of Madras) and under their own supervision and according to their taste and design.

With regard to other activities of this Bank, I should say that the Bank has done best work much than any other Co-operative House-Building Society or similar institutions have done in regard, especially, to the running of a School for girls which, in the future, is expected to run without any loss to the Bank, which is a difficult problem. So far as I know, I have not come across any such Co-operative Institution that has run or is running a school and in this Bank, the Co-operators have done their best for the furtherance of the educational and cultural requirements of their children. In any case, the Bank has given a lead to other institutions in the matter of educating the young in the colony.

Coming now to the problem of water-supply, I may say, no action appears to be required of me in as much as the Bank have requested the Corporation to provide water-supply facilities as required by the colonists and the Corporation have agreed to this in principle. However, I shall have no objection to contact the Minister for Local Administration in this connection and draw his attention to this dire necessity and request him to expedite matters, through his influence.

Then, in the end, reference is made to the change in the Government policy in regard to the grant of loans for house building viz. fixation of loans advanced by Government at Rs. 3,000 in respect of house construction by house-construction societies to its members whose emoluments do not exceed Rs. 200 per mensem. In this connection, you may be interested to know, that a deputation of the Madras Co-operative Union waited on Sri C. Subramaniam, the Finance Minister, a few days ago requesting that the clause relating to the limit of emoluments of Rs. 200 per mensem drawn by members be deleted and simultaneously the limit of Rs. 3,000 for house construction should be suitably enhanced or amended according to necessity. It is understood that the former request, namely, the limit of Rs. 200 drawn by members may be released but with regard to the limit of Rs. 3,000 for each house, there appears to be some difficulty. The Government of Madras have given an assurance to the Government of India in consonance with the Cabinet's decision that they would not indulge in schemes of which they have not been given prior notice and that they would not incur any additional expenditure. The Registrar of Co-operative Societies could only advance loans based on the notifications issued by Government, but it is understood that the Registrar has promised to adjust all the loans within the amount of Rs. 35 lakhs granted for the half year ending September 30, this year. Any way, in view of the fact that the above is a cabinet decision, nothing could be done in the matter but I shall however, try to convince the other members of the cabinet and hope the Government would soon realise the difficulties involved and see that the limits relating to the total cost of construction of a house and the monthly emoluments of members are raised so as to benefit a larger number of people.

A Note on the Salem City Extension Co-operative House Building Society, Ltd., Salem

The Society was registered on 13-5-47 and started on work on 14-5-47. Its area of operation is Salem Municipal limits and a radius of 5 miles around it. Now it is restricted to the area bounded by the Salem Omalur road on the south and west, Salem Jn. Yercaud road on the north, excluding Alagapuram Cheri, and the Salem Municipal limits on the east.

Members and Paid up Share Capital: The number of members and paid up share capital fell from 178 and Rs. 1,51,220 at the commencement of the year to 172 and Rs. 1,45,270 at the end as some of the members who had no interest in the Colony were allowed to withdraw.

Deposit and Borrowing: The borrowings from Government rose from Rs. 4,60,960 to Rs. 4,79,776-5-0 at the end of the year. Rs. 48,950 was borrowed and Rs. 30,133-11-0 was repaid during the year. Of the borrowing Rs. 17,400 were drawn in 4 fresh loans and the remaining amounts were drawals of further instalments in loans sanctioned in previous years. Loans have been obtained from the Government for 92 members. There is no deposit except Security Deposits of staff and contractors which amounted to Rs. 2,475 and Rs. 935-8-0 respectively at the end of the year. The demands under Government loan instalments were met.

Loans to Members: The loans against the members rose from Rs. 5,87,433 14-0 at the commencement to Rs. 6,10,220 8-0 at the end. Rs. 51,900 were lent and Rs. 29,113-6-0 were recovered during the year. There were arrears to the extent of Rs. 3,420-13-0 under principal and Rs. 1,951-12-0 under interest at the end of the year. This was due to the inability of some of the members to keep up their obligations owing to the fall in trade and tightness of money market and also as the houses were vacant for a major portion of the year. Now as almost all the houses have been occupied it is hoped the situation will ease shortly.

Construction of Houses: 27.85 acres of land was acquired for Rs. 79,512-11-1. Rs. 3,498-2-9 was spent for levelling, demarcation etc. and Rs. 5364-5-1 was added to it being the cost of establishment and contingent charges upto the date of commencement of construction making up a total of Rs. 88,375-2-11 as the value of the site. Of the area acquired 1.8 acres were parcelled out as 140 house sites. 7.15 acres utilised for the formation of roads and 2.62 acres reserved for park, school, play ground, office etc.

House Sites:	Classes			Total
	A	B	C	
Provision made for	17	26	97	140
Sites allotted (Sold)	16	26	72	114
Construction completed	16	18	61	95
Construction in progress or left with basement.	---	2	2	4
Houses occupied by owners	5	8	35	48
Houses occupied by tenants	4	8	22	34
Houses remained Vacant	7	2	4	13

NOTE ON THE SALEM CITY EXTENSION CO-OP. HOUSE BUILDING SCY.

A & B class sites were sold at Rs. 0-4-3 per sq. ft. and C at Rs. 0-4-0. Rs. 1,64,536-0-0 has been realised so far as the cost of sites allotted. The surplus in the sale of sites is being utilised for providing amenities to the Colony.

Amenities: Roads: There are 8 roads (2 cross main roads and 6 streets) of which one is metalled and the others left with soling stones and gravel. Rs. 14,580-2-0 has been spent for this. 25 cents of land was purchased at a cost of Rs. 646-14-0 during the year and the metalled road is extended by linking the Salem - Yercaud Road with the Salem-Omalur road. The society has also arranged for street sweeping from April 1953.

Lighting: There are 39 street lights at present. The line belongs to the Salem Erode Electric Co. and the brackets and lights to the society. The Electric installations for the Street lights cost Rs. 1,094 8-0 and the maintenance cost Rs. 480 3 0. 75 houses have got electric connections.

Water Supply: The Society has got 3 wells, 2 over head tanks with a capacity of 10,000 gallons and 1,000 gallons, 14 street taps and 69 house connections of taps. One well is provided with 7½ H. P. electric motor and pump and the other 2 wells with 10 and 5 H. P. oil engines and pump sets for providing water to the Colony. As supply from the wells was inadequate in the summer Rs. 3,030 was spent for deepening without much success. Rs. 51,888 3-0 has been spent on the water supply system so far.

School: The Society maintains an aided elementary School. It was started only in August 1952 with one lady teacher. Now the strength has increased and there are 2 teachers one a secondary grade and another a higher elementary trained. The school building costs Rs. 3,406-8-0. The Society has spent Rs. 292-11-0 during the year over and above the grant received.

Office and Community Hall: The Society has got an office building with a spacious hall constructed at a cost of Rs. 12,945-15-0. The hall is used as community centre where all common functions of the Colony are being conducted. There are weekly bajanas by ladies of the colony every Friday evening, men Saturday evening and periodical lectures on religious and other subjects other than politics and religious functions and festivities in the hall.

Reading Room & Library: A free reading room and lending library was opened in January 1953. One English and one Tamil daily is got. Both the library and the reading room is being utilised by the colonists. The books for the library were got by donations from members, some religious mutts and from the U. S. A. Information Service. Rs. 43-5-6 was spent for the library and reading room during the year.

There is one branch of the SALEM LADIES COTTAGE INDUSTRIES CO-OPERATIVE SOCIETY for the members living in the colony and it is also working in the premises of the Society.

Other Amenities: The Society maintains a night watchman for patrolling the Streets in the nights to prevent theft in the colony as there was a scare in the early period of formation of the colony.

The Society was collecting Re. 1 p. m. from each occupied house till 31-3-53 for water supply. From 1-4-53 a tax of Rs. 2 per house per mensem is being collected on all completed houses to meet a portion of the cost of maintenance of amenities.

THE MADRAS JOURNAL OF CO-OPERATION

Management: The management is vested in a board of 7 members nominated by the Registrar and is helped by a paid Secretary and Staff. A. C. S. R. on foreign service was the Secretary upto 14-9-52 and a retired C. S. R. a nominee of the Registrar is working as the Secretary now. 3 general body and 16 board meetings were held during the year, of which 1 board meeting was adjourned for want of quorum.

Profit and Loss: The Society earned a net profit of Rs. 4,424 during the year after meeting establishment and contingent charges of the year.

General: Rs. 29,859-1-0 spent as establishment and contingent charges upto the end of 51-52 was capitalised and shown as assets recoverable. Of this Rs. 19,520-6-0 has since been wiped out of the surplus in the sale of building materials and other reserves created for the purpose. It is proposed to meet the remaining amount also out of the surplus in the Sale of lands after all the plots are sold and after meeting the entire cost of amenities provided.

Useful Books for your Library

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By D. K. RANGNEKAR, M.Com.,
Former Professor of Commerce.
Foreword by Prof. D. R. GADGIL.,

Pages 245, Cloth Bound.

Price Rs. 15

Agricultural Marketing In India (with special reference to Co-operative Marketing)

By Prof. K. R. KULKARNI, M.A.,
Professor of Co-operation, Co-op. Training College, Poona.
Introduction by Dr. V. K. R. V. RAO.

A Note of observations by Dr. T. G. Shirname, Agricultural Marketing
Adviser to the Government of India. Foreword by Dewan Bahadur Prof.
H. L. Kaji, President, Indian Co-operative Union.

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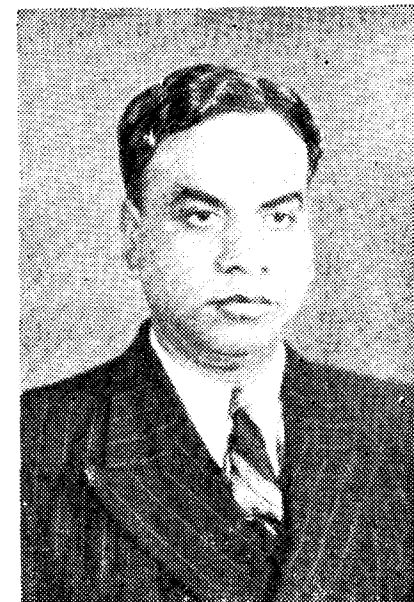
The Farmer, His Welfare & Wealth

By Dr. M. G. BHAGAT, M.A., Ph. D.
Foreword by Sir T. VIJAYARAGHAVACHARYA, K.B.E. Ex-Vice-
Chairman, Imperial Council of Agricultural Research, New Delhi.

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THE CO-OPERATORS' BOOK DEPOT,
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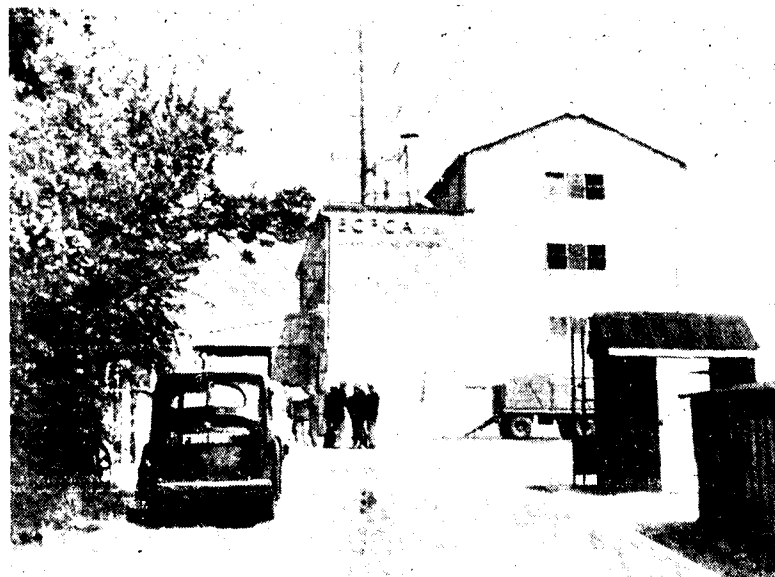


SRI K. NACHINARKINIA SIVAM,
President, Madras Co-operative Milk Supply Union Ltd.

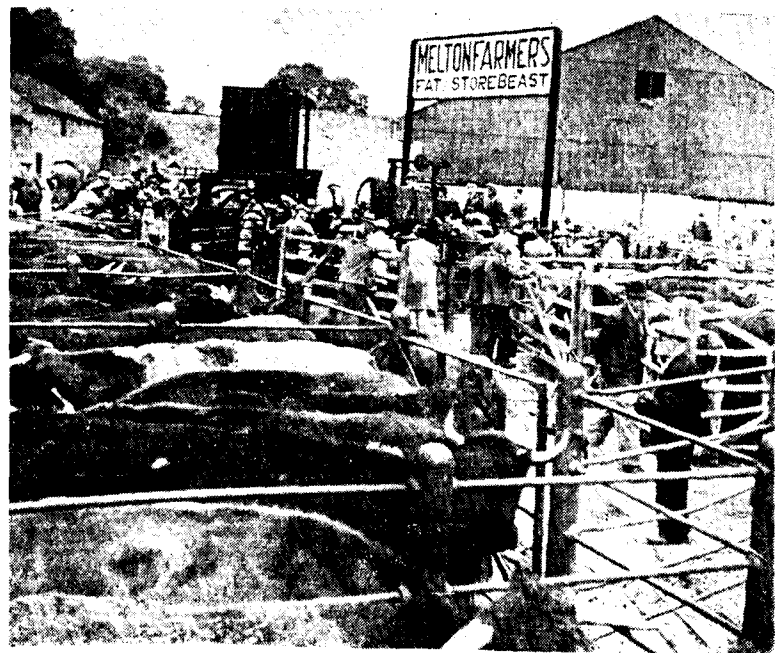


At a Garden Party arranged by the Madras Co-operative Milk Supply Union on 25-9-53 to bid Farewell to The Hon'ble Sri D. Sanjivayya, the outgoing Minister for Co-operation.

Left to right:—The Hon'ble Sri C. Subramanian, Minister for Finance (garlanded); Sri K. N. Sivam; The Hon'ble Sri D. Sanjivayya, Minister for Co-operation (Garlanded).



The grassdrying unit of the Eastern Countries Farmers' Co-operative Association, a typical English Society for specialised agricultural services for its farmer members.



A Scene at a Livestock auction organised by the Melton Mowbray Farmers' Association Ltd., in Leicestershire (Eng.)

The Madras Co-op. Milk Supply Union Ltd. —Its Useful Work*

SRI K. N. SIVAM

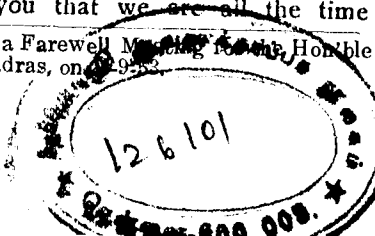
President, The Madras Co-op. Milk Supply Union Ltd., Ayanavaram.

It is a matter of great rejoicing and pride that we have in our midst to-day the Hon'ble Ministers for Finance and Co-operation. On behalf of you all and on my own behalf I heartily welcome them. I have also great pleasure in welcoming all the other guests who so kindly responded to our invitation.

The Madras Co-operative Milk Supply Union started in the year 1927 by my renowned father, the late Dewan Bahadur K. Deivasikamani Mudaliar, is an organisation of producers of milk both in the city and in the surrounding villages upto a radius of about 30 miles. In order to find a subsidiary occupation for the poor agriculturists of Chingleput District, co-operative milk supply societies were organised in the villages and the members were asked to bring their animals into a common milking yard for milking purpose. For marketing the milk, so produced, the Madras Co-operative Milk Supply Union was organised. The Milk Supply Union and the Societies are essentially associations of the poor and, if today they show some financial stability and sound organisation, it is not a little due to the hard work done by official and non-official co-operators for over a quarter of a century. I must also mention with gratitude the part the State has played in building up this edifice. But for the help and assistance and concessions granted by the Government from time to time, and sympathy evinced by them in tackling the problems that arose in actual working it would not have been possible to bring financial help and assistance from this subsidiary occupation to the large number of members in the village societies.

The organisation of milk supply societies in our State materially differs from the milk supply organisations in the other States, particularly Bombay, where the biggest organisation in our country, for production and supply of milk, has been working. The Aarey Colony in Bombay is a capitalist-cum-Governmental organisation where only persons who own at least 50 buffaloes can become members and supply milk. The minimum cost of these fifty *murrah* buffaloes would be Rs. 50,000. Actually many of the members who supply milk to that organisation own between 200 and 500 buffaloes. This means that persons with a capital investment of a minimum of Rs. 50,000 and generally from Rs. 2 lakhs to Rs. 5 lakhs are actually supplying milk to the Aarey Colony. The milk supply organisation in Madras was as stated already organised to serve as a subsidiary occupation for agriculturists whose wives and daughters could look after and tend one or two milch cattle and earn a small income to supplement the family's income from agriculture. These small farmers are grouped into milk supply societies and they supply the milk to the Societies which pass it on to the Madras Co-operative Milk Supply Union for sale in the City after pasteurisation. The Milk Supply Union is a Co-operative producers' organisation and as such is morally bound to supply not only unadulterated but also hygienically good milk. Circumstanced as we are and having regard to our national traits, I can only say that the Milk Supply Union is doing its very best to supply clean, wholesome and unadulterated milk to the public. I am aware of many of our deficiencies and the difficulties that stand in the way of our achieving perfection. But I can assure you that we are all the time

*Address delivered by Sri K. N. Sivam at a Farewell Meeting to the Hon'ble Sri D. Sanjivayya, Minister for Co-operation Madras, on 29-9-52.



endeavouring to achieve the best results and in this we require the sympathetic co-operation and goodwill of the public and the Government and I appeal to both for the same in an ample measure.

I was just now mentioning of how sympathetic and helpful the Government have been in dealing with the problems of the co-operative milk supply organisations. With your permission I shall refer to a recent instance.

Since the introduction of the Sales Tax except for a brief period, during which exemption was given, the societies on the one hand and the Union on the other have been assessed to and paying Sales Tax on the same unit of milk. Representations were made to the Government from time to time that though there were two societies on record it is really one society that is selling the milk and that taxing at two points simply because of the structural organisation of the co-operative edifice is not only unjust but also went against the oft-repeated conviction of the Government of their faith in the Co-operative movement as an instrument for the economic betterment of the people. I have had the honour and privilege of receiving more than one Finance Minister and Minister of Co-operation at the Milk Supply Union; and on every such occasion I represented to them the inequity in taxing twice for one sale. Every one of them was convinced that taxing the Society and the Union at two points when there was really one sale was unjust. But it was given only to our Rajaji's Government to give effect to what was considered right. Shri Rajaji is famous for viewing things dispassionately and it is a good fortune of the State that under his leadership his colleagues in the Cabinet have been acting on the sound principle of "*What is right and not who is right*". It was the good fortune of the poor agriculturist members of the milk supply societies that when this point was explained to the Minister for Co-operation and the Minister for Finance they were both convinced of the inequity of this double taxation and they had the necessary firmness to give effect to the views expressed by them after personal examination. We are greatly beholden to the Minister for Co-operation who had taken a great interest in this matter. Before taking it to the notice of the Government, the Minister visited several village milk supply societies and after thoroughly acquainting himself with the actual position he recommended that the taxation should be at the point *i.e.*, where the milk is sold to the consumer. We all know that many good schemes founder on the rock of finance. We should therefore be very much grateful to the Minister for Finance who, once he was satisfied about the justice of the case, did not hesitate to have it approved by the Government.

I may in this connection mention and beg of you to bear with me if I say that perhaps it would not have taken so many years to get this simple justice done if it was in the bureaucratic regime. In parenthesis I may say that the exemption was given during bureaucratic regime. Perhaps with the natural inferiority complex attached to such a regime that they were not duly elected representatives, they were more responsive to public opinion than the democratically elected. Perhaps they were afraid of eminent public men like our honoured guests and respected their views. In the days when our State was under the British regime, thanks to Gandhiji, public life in our State was vigorous and non-official co-operative opinion was always respected in Governmental quarters. After the assumption of office by the Congress, the best men in public life joined that organisation leaving the country the poorer for it. Those who joined

the Government party forgot many of the good things for which they were striving when outside the party, partly on account of party discipline and partly indifference. Nowadays we do not see much healthy and constructive criticism of the Government. Either abject surrender and praise in place and out of place or vituperative and destructive criticism of the Government for all its actions more particularly when any action of the Government ensures the benefit of the largest number. Political and personal considerations rather than the real good of the people and the merits of the case have begun to play a more important part in the criticism of the Government. As against this, the Government is becoming more and more centralised and indifferent to such criticism. This is natural as only constructive criticism could help Government and people and not the other. At the same time it should be realised that a highly centralised Government with all power concentrated in its hands is not the proper way to develop democracy and train the people to take up the reins of Government. It is best that people learn by committing mistakes rather than be guided and controlled at every stage by others. Such an administration will kill initiative and will not give an opportunity for the intelligent to take their due share in the shaping of policies. These observations of mine, who has nothing to do with politics will be wholly out of place but for the fact that the co-operative movement is a democratic movement and the observations apply more or less to co-operative democracy. The co-operative movement has given some of its best men to the Government but is not getting enough fresh blood into the movement to take up the place of the stalwart non-official leaders that have left it. It is true the movement will run its normal course even without the new blood but sooner than later it will stultify itself as there will be none to express a different point of view and ask for trying even a new experiment that will not emanate or commend itself to the existing authorities. If the co-operative movement is to become a live organisation it is necessary to ascertain why eminent men in public life are not entering the movement and create the necessary climate for their entry. I hope the Government will give earnest consideration to this aspect of the matter.

Before I close it is my pleasant duty to express our grateful thanks to our Registrar Mr. J. C. Ryan who has been helping the Co-operative Milk Supply organisation in a number of ways. The present expansion of the activities of the Union is not a little due to his efforts in that direction. I once again express my gratitude and that of the members of the Milk Supply Societies to Hon'ble Sri. C. Subramaniam, the Minister for Finance who has honoured us by responding to our invitation this evening. I have no doubt that in the coming years he will evince the same interest in the working of the co-operative movement and help it whenever there is a just occasion for his sympathy and help. To Hon'ble Sri Sanjeevayya we are greatly indebted. So far as he is concerned this happens to be not only an occasion for thanks giving but also leavetaking. With his state-wide experience of the co-operative movement, there is no doubt that he will have more occasions to serve not only the infant State of Andhra but also in the larger sphere of the Central Government. I am sure, I am voicing the feelings of all you here and also those many other co-operators who are not present here when I say that he will make a success of any sphere of activity and any department of administration that he may be called upon to take up in his career as a *Politician* in the future.

MULTIPURPOSE CO-OP. ACTIVITY

Multipurpose Co-op. Activity in Madras State

[Readers are well aware that the chief feature of Co-operative development in Madras as in some other parts of the country is the reorganisation of rural credit societies as multipurpose co-operatives. Fairly brisk work is seen in this direction in all the districts. With a view to acquaint the public with the progress of the work in this direction, we propose to publish periodically in these pages notes on the working of some rural credit societies which have taken up multipurpose activities. The first note was published in our September 1949 issue.—*Editors*]

Kalambaram Multipurpose Co-operative Credit Society (Tanjore Dt.)

Location and area of operation:—The Kalambaram Multipurpose Co-operative Credit Society No. 6587 in the Kumbakonam Taluk of the Tanjore District was registered on 8-9-1921 and started on work on 19-11-1921. The village Kalambaram is situated six miles north of Kumbakonam on the Madras trunk road. The society is affiliated to the Kumbakonam Co-operative Supervising Union, Ltd., and the Co-operative Central Bank, Ltd., Kumbakonam. The area of operations of the society comprises the villages of Kalambaram, Muzalai, Serukudi, Koilacheri, Natham and Kallur villages.

Member, Share Capital and Investments:—There are 122 members on rolls with a paid up share capital of Rs. 928. The total population in the area of operations of the society is 3000 and the percentage of the population served by the society comes to 20 %. The society has taken shares in the Co-operative Central Bank, Ltd., Kumbakonam to the value of Rs. 15. A sum of Rs. 292-8-0 has been invested in the Co-operative Central Bank towards the reserve fund of the society. The maximum borrowing power of the society is Rs. 7,000 while the net assets of members of the society as per revised property statement for the year 1953-54 amount to Rs. 2,86,908.

Loans and Cash Credits:—Loans to an extent of Rs. 4,150 are outstanding against members under short and long terms. The dues to the Central Bank by the society under loans amount to Rs. 2,280. Besides this, the society has got two cash credit accommodation from the Central Bank for Rs. 1,000 each for the issue of short term loans and for the purchase of manure to the members.

Sale of Manure and Sugar:—During the year 1951-52 the society purchased and distributed manure and sugar to the value of Rs. 9038 and Rs. 412 respectively. The sales amounted to Rs. 9,843-8-0. A gross profit of Rs. 351-3-0 and a commission of Rs. 198 was earned out of the above business.

Medical Help:—The society has got a De-chane medicine chest for rendering first aid to the villagers. During the year quinine was distributed to 95 persons and medicines to 11 persons mainly for treatment of fever and stomachache. Tincture of Iodine is also available with the society for the benefit of the villagers. With the help of the medicine chest 3 out of 4 cases of cholera during last year were successfully treated and this year all the ten cases were successfully treated. This noble work for performed by the society is much appreciated by the villagers.

Thrift:—Hundi boxes have also been distributed to the members in order to encourage thrift habits among the villagers. With 6 boxes in January 1953 the number of boxes has increased to 53 in August 1953. The collections through Hundi boxes from January to August 1953 amounted to Rs. 173-7-0.

The society during the year 1951-52 has earned a net profit of Rs. 102-12-0 and it has been placed under class "B".

G.Os. & CIRCULARS

G.Os. and Circulars

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

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

R. C. 134999/53. S-3.

Dated 25-8-1953

Sub:—All India Co-operative Day 7-11-53—Celebration of.

The All India Co-operative Day falls this year on 7-11-53. A copy of the Declaration from the International Co-operative Alliance is communicated to all officers. All the Officers are requested to celebrate the co-operative Day in a fitting manner.

J. C. RYAN,

Registrar.

DEVELOPMENT DEPARTMENT

G.O. No. 1822, 20th April 1953.

Co-operative Societies—The Madras State Co-operative Bank and the Central Banks—Financial statements for the half-year ended 31st December 1952—Recorded.

READ—the following paper:—

Letter from Sri J.C. RYAN, M.A., I.A.S., the Registrar of Co-operative Societies, to the Secretary to Government, Development Department, dated Madras, the 31st March 1953, No. Pdl. 2/53-A.

SUBJECT:—Co-operative societies—The Madras State Co-operative Bank and the Central Banks—Financial statements for the half-year ended 31st December 1952—Report—Submitted.

I submit herewith the consolidated financial statements (in five parts) of the District Co-operative Central Banks and the Madras State Co-operative Bank for the half-year ended 31st December 1952.

2. **Share Capital:**—The paid-up share capital of the Madras State Co-operative Bank remained the same as at the end of the previous half-year, viz., Rs. 14,91,300. The total paid-up share capital of all the Central Banks in the State rose from Rs. 1,51,04,225 on 30th June 1952 to Rs. 1,56,90,682.

3. **Proportion of owned capital to liabilities:**—(a) *The Madras State Co-operative Bank:*—During the half-year ended 31st December 1952, the Madras State Co-operative Bank continued to borrow funds up to an enhanced limit of twenty times its paid-up share capital plus reserve fund to finance, through the Central Banks, the societies which undertook procurement and distribution of food-grains, mill cloth, yarn chemical manures and iron and steel. The total borrowings of the Bank on 31st December 1952, amounted to Rs. 913.83 lakhs as against the maximum credit limit of Rs. 12,13.26 lakhs.

(b) *District Co-operative Central Banks:*—The total borrowings of all the Central Banks on 31st December 1952, amounted to Rs. 18,65.67 lakhs as against the maximum credit limit of Rs. 28.75.22 lakhs. The maximum-credit limit of thirteen. Central Banks was enhanced (to range between 15 and 20 times the share capital plus reserve fund) for financing

procurement and distribution of foodgrains, chemical fertilizers and agricultural implements (iron and steel for agricultural purposes) and compost, undertaken by co-operatives in their respective jurisdiction :—

4. *Fluid Resources* :—As the Madras State Co-operative Bank continued to finance procurement and distribution of foodgrains, distribution of yarn and mill cloth, chemical fertilizers, iron and steel, etc., undertaken by the co-operatives in the State, it maintained fluid resources at the standards relaxed in G.O. Ms. No. 3617, Development, dated 19th August 1952. The Central Banks maintained the required standard of fluid resources, during the half-year ended 31st December 1952.

5. *Loans to Societies* :—Particulars of loans outstanding against societies in the Madras State Co-operative Bank and the Central Banks are furnished below :—

Loans outstanding against Societies		
As on 31st December 1952. Rs.	As on 30th June 1952. Rs.	As on 31st December 1951. Rs.
IN LAKHS.	IN LAKHS.	IN LAKHS.

(1) Madras State Co-operative Bank ..	6,77.37	6,85.03	5,37.07
(2) Central Banks ...	15,15.29	15,16.85	14,59.49

6. *Overdues* :—On 31st December 1952, a sum of Rs. 286.64 lakhs was overdue from societies to Central Banks out of the total loan of Rs. 15,15.29 lakhs outstanding against societies. The percentage of overdues to outstanding was 18.9. Of the sums due from Central Banks to Madras State Co-operative Bank (viz., Rs. 6,77.87) lakhs a sum of Rs. 20.15 lakhs was overdue, which formed 3 per cent of the outstanding.

7. *Reserves* :—On 31st December 1952, the statutory re-serve of the Madras State Co-operative Bank was Rs. 45.75 lakhs and its other reserves amounted to Rs. 10.17 lakhs. The total statutory reserve of all the Central Banks was Rs. 73.30 lakhs while the total of their other reserves amounted to Rs. 54.95 lakhs on 31st December 1952.

Proceedings of the Registrar of Co-operative Societies Madras.

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

R. C. No. 150716/53-3

Dated, 1-9-1953.

Sub :—Co-operative Societies—Rural Credit Societies on unlimited Liability furnishing of security by paid employees—exemption continued.

Read :—Registrar's proceedings Rc. 85694/49-B, dated 30-1-51.

Under Sub-Rule (3) of Rule XXVII-B of the Rules framed under the Madras Co-operative Societies Act VI of 1932, the Registrar is pleased to exempt the rural credit societies on unlimited liability basis from the operation of the rule for a further period of two years i.e., (upto 30-6-1955),

(By Order)

ANDHRA SUPPLEMENT

1. Inauguration of the Andhra Co-operative Bank Ltd., 6th September 1953.
2. Inauguration of the Andhra Co-operative Central Land Mortgage Bank Ltd., 5th September 1953.
3. Inauguration of the Andhra Handloom Weavers' Co-operative Society Ltd., 14th September 1953.

A Note on the Bifurcation of the State Co-op. Institutions.

Following the decision of the Government of India to form the Andhra State on 1st October 1953, many of the State co-operative institutions of the composite State of Madras felt keenly the need for bifurcation into the Andhra and residuary Madras Societies. The Madras State Handloom Weavers' Co-operative Society was the first to moot the question of bifurcation, while the Madras State Co-operative Bank and the Madras Central Co-operative Land Mortgage Bank took up the question in due course of time. While the Directorates of the respective State institutions had programmed to discuss the question at their ensuing committee meetings, the Registrar of Co-operative Societies, Madras as a representative of Government, officially moved the Directorates of the institutions to convey to him their views in the matter. Thanks to the spirit of "give and take" among the Andhra and non-Andhra Directors of the various institutions and the personal advice and guidance given by the Registrar of Co-operative Societies, decisions were taken after some deliberation and discussion at the meetings of the respective institutions to bifurcate the composite institutions and to apportion their assets and liabilities in accordance with certain ratios and formulae arrived at by the mutual consent of the Directors. Larger issues touching the Reserve Bank of India and the Imperial Bank of India and Government guarantees were satisfactorily solved by contacting the various parties and through the good offices of the Registrar who showed himself willing and ready to give his best advice and effect a smooth bifurcation.

After all the preliminaries had been gone through, the Government of Madras on 4th September 1953, gave statutory sanction for bifurcation by promulgating an ordinance for the reconstitution of the existing State Co-operative Societies in Madras State and formation of new societies consequent on the proposed formation of the Andhra State.

The ordinance called the Madras State Co-operative Societies (Reconstitution and Formation) Ordinance 1953 has been published elsewhere in this supplement.

The ordinance was to come into force at once: Under its provisions, the Madras State Co-operative Bank Ltd., the Madras Co-operative Central Land Mortgage Bank and the Madras State Handloom Weavers' Co-operative Society Ltd., shall be reconstituted by excluding from their area of operations the territory constituting the Andhra State. With the Andhra State territory as their area of operations three new societies to be called the Andhra Co-operative Bank, the Andhra Co-operative Central Land Mortgage Bank and the Andhra Handloom Weavers' Co-operative Society respectively should be formed.

The Registrar of Co-operative Societies for Madras State should place before a general body meeting of each of the three existing societies proposals regarding the division of its assets and liabilities between the society as reconstituted and the corresponding new society, and regarding the members who would constitute each of the said societies.

The ordinance also included a provision whereby, if the Registrar's proposals were not confirmed either without or with modifications agreed to by the Registrar, the State Government should refer the proposals to a

A NOTE ON THE BIFURCATION OF THE STATE CO-OP. INSTITUTIONS

Judge of the High Court at Madras, nominated by the Chief Justice. The decision of such a Judge should be final. The Ordinance also enabled the Government to make rules to carry out the purpose of the Ordinance.

Accordingly a general body meeting of the Madras Co-operative Central Land Mortgage Bank was held on 5th September 1953 and the proposals of the Registrar for bifurcating the Bank and transferring certain assets and liabilities of the composite Bank to the Andhra Co-operative Central Land Mortgage Bank were approved. It was decided that the loans outstanding in the Andhra area as on August 31st 1953 be transferred for the new Andhra Bank and those outstanding in Bellari and Hospet are to the Mysore Central Land Mortgage Bank. The debenture liability was divided in proportion to the loans issued in each area.

The common reserves were divided between the Residuary, Andhra and Mysore Central Land Mortgage Banks on the basis of actual business turned over which worked out to 54.6, 41.9 and 0.5 percent respectively.

It was resolved that the individual share holders of the composite Central Land Mortgage Bank whose registered addresses on August 31 1953 showed them as residents of the area of operation of the Andhra Central Land Mortgage Bank should be transferred to the new Bank. Similarly individual share holders whose addresses showed them as residing in that part of the Bellary district which would be merged with the Mysore State would be transferred to the Mysore Central Land Mortgage Bank with consent of that Bank or the share capital would be refunded.

The promoters of the Andhra Co-operative Central Land Mortgage Bank met separately and adopted by by-laws of the Bank. It was decided to locate the head quarters of the Bank at Tirupati.

The Madras State Co-operative bank held its General Body Meeting on 5th September 1953. It was decided at the meeting that all the assets and liabilities of the 15 central banks in Andhra, Guntakal spinning mills and the Etikoppaka agricultural and industrial societies which were in the composite State Bank area should now be transferred to the new Bank. Of the investments of the new bank except the Government Securities which were wholly retained by the Residuary Bank, the rest were agreed to be divided almost on a 50.50 basis. Cash compensation was given towards furniture and fittings; and the premises of the Bank at Mylapore was assigned to the new Bank without any compensation for regard to the owned funds, while certain funds like Depreciation Reserve, Income Tax Reserve etc., were retained wholly by the Residuary Bank, the other funds were to be divided equally between the two Banks. For this purpose the Bellari district was treated as part of Andhra and its share in the common divisible funds was determined in the Proportion which the share capital and Reserve fund of the Bellary Bank bore to the total of such capital held by all the Andhra Central Banks in the State Bank in the three years preceding 30th June 1953. Of the Bellari share again the share of the societies in the three Taluks of Adoni, Alur and Rayadurg given over to the Andhra was determined on the basis of the proportion of advances outstanding against the societies in those three Taluks to the total advances made by the Bellary Bank in the same period. It was also agreed that the Residuary Bank would give a loan of Rs. 25 lakhs, to the new bank towards its working expenses at its average borrowing rate.

The share capital held by the individuals in the composite Bank was left with the Residuary Bank. The representatives of the 15 Central Banks in Andhra on the Board of the composite Bank would continue to be the members of the Board of the Andhra Bank till 31st December 1953. In the amended constitution, the Residuary Bank has abolished the executive committee and retained only the Board of 17 members—one for each of the 15 Central Banks and two representatives of individual share holders. The revised constitution is to take effect from 1st January 1954.

Thanks to the special efforts of the Registrar, the new Bank gets special accommodation from the Reserve Bank to enable it to carry on its work without much difficulty in spite of its weak accumulation of deposits.

At the general body meeting of the Madras State Handloom Weavers' Co-operative Society it was decided that the New Andhra Weavers' Society should operate over the territory which would form the Andhra State. It was also decided that the reconstituted Madras Society would continue to function over the territory comprising the Taluks of Bellari Hospet, Siruguppa, Hadagalli, Kuligi, Sandur and Harpana halli till such time as they would be included in the area of operations of a Central Weavers Co-operative Society in the Mysore State.

The division of assets and liabilities were mainly in the ratio of 44.775 and 55.225 percent between the new Andhra Society and the reconstituted society respectively except for certain items such as buildings, stocks of yarn cloth, dyes, furniture, etc., which would be divided on the basis of their location. Employees of the composite Society should be allotted according to the territory in which they were employed under the prevailing service conditions and pay; but the reconstituted society would also transfer to the society employees knowing Telugu to make up the deficiency. These employees so lent would be taken back by the reconstituted society within a period of six months from 4th September 1953.

It was also provided that whenever any dispute or doubt arose between the two societies in regard to various terms contained in the proposals for bifurcation these shall be referred to the Registrar of Co-operative Societies Madras and his opinion should be final.

The Andhra Co-operative Central Land Mortgage Bank was registered at Tirupati on 5th September 1953, the Andhra Co-operative Bank at Vijayawada on 6th September 1953 and the Andhra Handloom Weavers' Co-operative Society at Vidayawada on 14th September 1953 by Sri J. C. Rayan M.A., I.A.S., Registrar, of Co-operative Societies, Madras. The Institutions were also inaugurated on the day of registration. They were to function under the jurisdiction of the Registrar of the composite State until on 1st October 1953 they would become independent State institutions coming under the jurisdiction of the Andhra Registrar of Co-operative Societies.

The proceedings of the Inauguration functions have been published elsewhere in this issue.

Reconstitution of Co-ops.

Ordinance Issued

The Governor of Madras promulgated on September 4, an Ordinance for the reconstitution of the existing State co-operative societies in Madras State and formation of new societies consequent on the proposed formation of the Andhra State.

The notification in the Gazette extraordinary issued to-day reads:

The following Ordinance which was promulgated by the Governor on September 4, 1953, is hereby published for general information:

Madras Ordinance No. II of 1953.

An Ordinance to reconstitute the existing State Co-operative Societies in the State of Madras by excluding from their area of operations a part of the territory of the State and to form new societies for the said part of the territory.

Whereas the Legislature of the State is not in session and the Governor of Madras is satisfied that circumstances exist which render it necessary for him to take immediate action to reconstitute the existing State Co-operative Societies in the State of Madras by excluding from their area of operations a part of the territory of the State and to form new societies for the said part of the territory.

And whereas the instructions of the President have been obtained in pursuance of the proviso to Article 213 clause (1), of the Constitution;

Now, therefore, in exercise of the powers conferred by Article 213, clause (1) of the Constitution, the Governor hereby promulgates the following Ordinance:

1. Short title, extent and commencement—(1) This Ordinance may be called the Madras State Co-operative Societies (Reconstitution and Formation) Ordinance, 1953.

(2) It extends to the whole of the State of Madras.

(3) It shall come into force at once.

2. Reconstitution of existing State Co-operative Societies and formation of new societies.—Each of the following societies, that is to say, the Madras State Co-operative Bank, Limited; the Madras Co-operative Central Land Mortgage Bank, Limited, and the Madras Handloom Weavers' Co-operative Society, Limited, shall be reconstituted by excluding from their area of operations the territory comprised in Srikakulam, Visakhapatnam, East Godavari, West Godavari, Krishna, Guntur, Nellore, Kurnool, Anantapur, Cuddapah and Chittoor districts and in the Alur, Adoni and Rayadurg taluk of the Bellary district, and with the said territory as their areas of operations, three new societies, to be called the Andhra Co-operative Bank, the Andhra Co-operative Central Land Mortgage Bank and the Andhra Handloom Weavers' Co-operative Society respectively shall be formed.

3. Proposals of Registrar and confirmation by general body of society.—(1) For the purpose of reconstituting the existing societies and forming new societies as aforesaid, the Registrar of Co-operative Societies for the State of Madras thereafter in this Ordinance referred to as the

Registrar, shall place before a meeting of the general body of each of the three existing societies, proposals regarding the division of its assets and liabilities between the society as reconstituted and the corresponding new society and regarding the members who would constitute each of the said societies.

Explanation—In the case of each of the existing societies, the liabilities may be divided as such between the society as reconstituted and the corresponding new society or may be allotted to one society with the obligation laid on the other to pay to the former the latter's share of the liabilities.

(2) If the proposals of the Registrar under subsection (1) are confirmed by a resolution passed by a majority of the members present at the meeting, either without modifications or with modifications to which the Registrar agrees, the Registrar shall under the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) form and register the new societies accordingly and shall register the changes in the bylaws of the existing societies consequent on the formation and registration of the new societies.

4. Procedure if Registrar's proposals are not confirmed—If the proposals of the Registrar are not confirmed either without modifications or with modifications agreed to by the Registrar, the State Government shall refer the proposals to a Judge of the High Court, Madras, nominated by the Chief Justice Madras, in this behalf, and the decision of such Judge shall be final.

5. Action on decision of Judge.—In any case falling under section 4, on the communication to the Registrar by the State Government of the decision of the Judge, the Registrar shall form and register the new societies in accordance with the said decision and shall register the changes in the bylaws of the existing societies consequent on the formation and registration of the new societies.

State Guarantee not affected

6. Allotment of liabilities not to affect guarantee of the State Government.—The allotment of the liabilities of each of the existing societies between the society as reconstituted and the corresponding new society shall be so made as not to affect the guarantee, if any, of the State Government for the due repayment of any debt owing by the existing society or the due redemption of any debentures issued under the Madras Co-operative Land Mortgage Banks Act, 1934 (Madras Act, X of 1934).

7. Guarantee of liability by the State Government.—If the resolution of the general body confirming the proposals of the Registrar without modifications or with modifications agreed to by the Registrar or the decision of the Judge involves liability on the part of either the society as reconstituted or the corresponding new society to pay any sum of money to the other society, then the society liable shall be bound to pay the said sum to the society entitled in accordance with the terms of the resolution or the decision, as the case may be, and the State Government shall be liable as guarantor in respect of the said liability.

8. Reconstitution of existing societies and formation and registration of new societies to be binding on shareholders and creditors.—The

reconstitution of existing societies and the formation and registration of the new societies, and the allotment of rights and liabilities as between the societies reconstituted and the corresponding new societies effected under sections 2, 3 (2) 5 and 6 shall in all respects be binding on all the shareholders and the creditors of each of the existing societies.

9. Adaptations and modifications to certain Acts.—The State Government may by order make such adaptations and modification in the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) and the Madras Co-operative Land Mortgage Banks Act, 1934 (Madras Act X of 1934), as are consequential on or are necessary to give full effect to, the reconstitution of the existing societies and the formation and registration of the new societies.

10. Ordinance to override certain enactments.—The provisions of this Ordinance shall have effect, notwithstanding anything to the contrary in the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), and the Madras Co-operative Land Mortgage Banks Act, 1934 (Madras Act X of 1934.)

11. Power to make rules.—The State Government may by notification in the *Fort St. George Gazette*, make rules to carry out the purposes of this Ordinance.

JUST OUT!!!

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Three Inaugural Meetings—Summary of Proceedings

1. The Inauguration of the Andhra Co-operative Bank, Vijawada on 6-9-1953.

The inauguration of the Andhra Co-op. Bank was celebrated on 6-9-53 at the premises of the Vijayawada Co-op. Central Bank which kindly gave its first floor to accommodate the State Bank. In the morning Sri Bikkina Venkataratnam President of the Andhra Co-op. Bank performed the *Puja* in the iron safe room while the priest chanted the sacred *Vedic* hymns. At 2 p. m. the formal meeting for the inauguration was held in the Bank Hall which was tastefully decorated. The meeting was well attended by the co-operative officials and non-officials and local gentry. Among those who attended might be mentioned the Hon'ble Sri S. B. P. Pattabhi Rama Rao, Sri Kala Venkata Rao, Sri A. Kateswara Rao, Raja of Challapalli, Sri M. D. T. Muthukumaraswami Mudaliar, Vice-president, Madras State Co-op. Bank, Dr. P. Natesan, General Secretary, Madras State Co-op. Union and Director of Madras State Co-op. Bank Sri T. Muthukumaraswami Pillai and Sri D. Krishna Murthy Gounder. Directors of the Madras State Co-op. Bank. The Hon'ble Sri D. Sanjivayya was however unable to attend.

Sri J. C. Ryan, M.A., I.A.S., Registrar of Co-op. Societies, hoisted the Co-operative Flag.

In the unavoidable absence of the Hon'ble Sri Sanjivayya, Sri Kala Venkata Rao was proposed to the chair by Sri Bikkina Venkataratnam.

After prayer Sri Bikkina Venkataratnam welcomed the distinguished Visitors and friends who assembled there. (*His Welcome Address is published elsewhere in this Issue*).

Sri Kala Venkata Rao who Presided, spoke about the progress of the Co-operative movement through half a century, and the numerous official and non-official Co-operators who contributed to such progress. (*His address is published elsewhere in this Issue*).

The Hon'ble Sri Pattabhi Rama Rao inaugurated the New Bank. He appealed to the Andhras to help the New Bank. to development in to a mighty co-op. institution. (*His Address is published elsewhere in this Issue*).

Sri J. C. Ryan, Registrar of Co-op. Societies, then addressed the gathering, he explained clearly the circumstances in which the New Bank was created, and the smooth manner in which the bifurcation was effected. He presented a clear picture of the various handicaps of the new institution and suggested ways and means of solving the problems that might crop up. (*His Address is published elsewhere in this Issue*).

Messages were read by Sri Bikkina Venkataratnam from distinguished persons like the Hon'ble Sri Sanjivayya, the Hon'ble Sri K. Venkateswami Nayudu. The Hon'ble Dr. M. V. Krishna Rao, etc.

On behalf of the Residuary Bank, Dr. P. Natesan expressed his happy sentiments over the creation of the new institution and wished the Bank years of useful service. (*His speech is published elsewhere in this Issue*).

The meeting ended with the singing of *Janagana Mana*.

2. The Inauguration of the Andhra Central Co-op. Land Mortgage Bank, Ltd. at Madras on 5-9-'53.

The Andhra Central Co-op. Land Mortgage Bank Ltd., was inaugurated at the premises of the Bank in Mylapore on the evening of 5-9-53. Mr. Justice P. Satyanarayana Rao, Mr. Justice P. Chandra Reddy, the Hon'ble Dr. M.V. Krishna Rao, Sri J. C. Ryan, Registrar of Co-op. Societies, Sri Bhogaraju Venkataratnam, and many prominent officials and non-officials were present.

Sri B. V. Subrahmanyam, M.L.C., President of the Andhra Land Mortgage Bank welcomed the gathering and after explaining the position and problems of the Bank, requested Sri C. M. Trivedi, Special Officer for the Andhra Affairs, to inaugurate the Bank. (*His Address is published elsewhere in this Issue*).

Sri C. M. Trivedi inaugurated the Bank and offered to do his best for the progress of the Bank. (*His Address is published elsewhere in this Issue*).

Sri B. V. Subrahmanyam proposed a vote of thanks.

3. The Inauguration of the Andhra Handloom Weaver's Co-op. Society at Vijayawada on 14-9-'53.

The Andhra Handloom Weaver's Co-op. Society was inaugurated at Vijayawada on 14-9-'53. Sri J. M. Lobo Prabhu, I.C.S., Secretary, Development Department, Madras, presided. Over 500 weavers delegates of the Andhra and many officials and non-official Co-operators were present.

Sri D. Ramakanta Rao, President of the new Society, welcomed the gathering. (*His Address is published elsewhere in this issue*). The Hon'ble Sri C. Rajagopalachari, Chief Minister, Madras who was to have inaugurated the Society was unable to attend. His Inaugural Address was therefore read at the meeting. (*His Address is published elsewhere in this issue*).

Sri J. M. Lobo Prabhu, who presided, delivered his presidential Address. Sri J. C. Ryan, M.A., I.A.S., Registrar of Co-operative Societies also addressed the gathering. He explained the various problems confronting the weavers societies and the ways and means to solve them. He also stated how the "give and take" policy of the co operators enabled the State Institutions to solve their problems of bifurcation smoothly without external interference.

Andhra Co-operative Bank, Ltd.

WELCOME ADDRESS

SRI B. VENKATARATNAM CHOUDARY

*President the Madras State Co-operative Bank,
President, Andhra Co-operative Bank, Ltd.*

Dear Mr. Kala Venkata Rao, Mr. Pattabhirama Rao, Mr. Ryan and Brother Co-operators and Friends,

On behalf of the Andhra Co-operative Bank I offer my heartiest welcome to you, Sirs,

This is an unique occasion when we are called upon to inaugurate a new Bank to finance the District Co-operative Banks in the State to be formed for the Andhra area. Though the State is to be formally inaugurated on the 1st of October, institutions that are common and have a Presidency jurisdiction have to get themselves bifurcated so as to effectively deal with the new state problems. Co-operation is one of the activities of the social welfare organisation. Being a movement sponsored by non-officials, it has grown in size and has undertaken various activities and problems affecting the people of the State. From a mere financing Agency and credit organisation it has developed and spread its influence in various directions. Its role in the agricultural credit structure of the State, its influence on the trade of the country, the financing of the loan and sale societies and marketing societies, its monopoly of procurement and distribution of food-grains during the war, iron and steel, and chemical fertilizers, are all well-known to you. Relief to weavers and other ameliorative functions are all being taken up by the Co-operators. Without confining itself to only agricultural or marketing activities, it has taken up the financing of the industrial concerns run on Co-operative basis, like the Madras Co-operative Spinning Mills at Guntakal and the Etikoppaka Sugar Factory.

When the formation of the Andhra State became a settled fact Co-operators have been thinking whether they should still remain intact or whether they should also bifurcate their area of activities. There is no gainsaying the fact that such a division will to a very great extent help the new State to develop on right lines. Though there was a feeling that we should stand together, slowly the corresponding advantages of bifurcation entered the minds of Co-operators and as early as May the Bank decided on the bifurcation at its Ootacamund meeting in the middle of May 1953.

Events took a rapid march and within a space of two months the inauguration of the new Bank has become a reality. A sub-committee was appointed to go into the question of the division of the assets and the liabilities of the Bank. The committee met four times. There was perfect amity among the members of the Committee. The mutual understanding and the spirit of accommodation

ANDHRA CO-OPERATIVE BANK, LTD.

on the part of the friends of the Residuary Bank, rendered it possible to quickly and thoroughly deal with the problems of division. There was not a point on which there was disagreement. They readily agreed to part with half the common assets for the new Bank. In the matter of buildings, furniture and other assets piled during the course of 48 years of the working of the Bank there was an equitable arrangement to which both parties readily agreed without the haggling of even uterine brothers who partition their family assets. The General Body which met on 26-7-1953 gave its approval to the terms of settlement. On behalf of the Andhra Co-operators, I express my sincere thanks to our Tamil friends and I am grateful for the Co-operation and accommodation and the spirit of service with which they acted in helping us to bring into being and start this Bank so expeditiously and I request them to show the same sincere interest and help in future.

It was originally thought that the new Bank may be started after the State was actually brought into being. But matters had reached a stage that it was thought expedient to start the new Bank even before the actual formation of the State. It is now being named Andhra Co-operative Bank and will be renamed as the Andhra State Co-operative Bank after 1st October.

It is a privilege to me to mention the great services rendered by Mr. Ryan, the Registrar in showing his great capacity, originality and resourcefulness, unbounded knowledge, his vast experience as Registrar in dealing with various difficult problems and tide over them to bring into being the new Bank. He spared no pains and has given his best thought on Co-operation to help the formation of the new Bank. He negotiated with the Imperial Bank of India, Reserve Bank and the Government to extend the original guarantee for the loans advanced by the Imperial Bank. The Andhra Co-operators have ever to be grateful to Mr. Ryan for the goodwill and unbiased mind he has shown on every occasion, and for the way in which he is trying to see that the new Bank does not suffer for paucity of funds in its initial stages. Mr. Ryan will shortly explain to you the various obstacles he has to face and surmount.

The financial position of the new Bank on bifurcation will be as follows :—

LIABILITIES.		ASSETS.	
	Rs. (in lakhs)		Rs. (in lakhs)
Share Capital	8.70	Advances to	334.44
Reserve Fund	22.45	Central Banks	
Other funds	0.98	Investments	12.88
Deposits	36.88	Sundries	1.76
Borrowings	279.43		
	<u>348.44</u>		<u>349.08</u>

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It will be seen that the deposit of the new Bank are very weak. The Bank has to build up sufficient working capital. Unless large deposits flow into the Bank it cannot go on to do its functions properly with borrowed capital alone. Thanks to the Residuary Bank that they are not only placing a sum of Rs. 25 lakhs to start with towards working capital, but have also agreed to undertake to lend their credit for the liabilities to the Reserve and Imperial Banks and also for agreeing to lend to the new Bank funds needed from time to time at their average borrowing rate. This is a great help to the new institution to start with. But unless the Andhra public fully co-operate and divert all their savings and deposits to the new Bank it cannot effectively function with borrowed capital alone. I would therefore appeal to all Andhras to give their best co-operation and active help in securing deposits for the new institution and see that the Bank will stand on a firm footing and cater to the needs of the people in the near future. The local District Banks have been tapping the local reserves already and a greater spirit of Co-operation is necessary to add to the resources of the new Bank. I am sure that the Andhras who always rise up to the occasions in all cases of emergency will do their best for this Bank to develop it and raise it to the status of the Residuary Bank. I may assure you that this Bank will do its best to serve the societies with what all resources it can command and render all help that is required for the people through the Co-operative Institutions.

We are inaugurating this Bank just after a great calamity has overtaken in East Godavari District with unprecedented floods that wrought havoc among the agricultural population resulting in the loss of cattle, crops and houses running into several crores. It is the duty of every citizen to come to their rescue in this hour of need and do his best to help them even denying oneself certain comforts: no doubt help is flowing from every quarter but it is not sufficient taking into account the magnitude of the damage to cattle, crops and houses. As Co-operators we are bound to do our best in rehabilitating the societies that were hard hit by this flood havoc by financing them. As a new Bank, I have explained to you the financial position. In the circumstances I make an appeal to the Reserve Bank to give us the maximum accommodation to enable this Bank as an Apex Bank to finance the societies and rehabilitate them.

I thank the Hon'ble Minister for Rural Welfare for making it convenient to inaugurate the new Bank and Sri Kala Venkata Rao for presiding on the occasion. I thank all the Co-operators and friends for responding to our invitation and particularly our Tamil friends and the Registrar who have made it convenient to be present here and see that the new Bank is inaugurated.

My sincere thanks are due to the President and Members of the Vizianwada Co-operative Central Bank for readily giving us accommodation and also for their co-operation in this function.

"Jai Hind."

ANDHRA CO-OPERATIVE BANK, LTD.

PRESIDENTIAL SPEECH OF

SRI KALA VENKATA RAO

Brother Co operators,

On this occasion I am grateful to you all for having given me the opportunity to address you.

From today Andhra Desa will have a separate Co-op. Bank. We should thank Mr. Venkataratnam, the President of this Bank for his efforts to see this Bank inaugurated this day. I am a Director of Madras State Bank for over 26 years and though Mr. Venkataratnam is a little junior to me we have all been colleagues for a long time.

The Bank has been allotted Rs. 36 lakhs deposits and Rs. 25 lakhs has been given by our Tamil friends. The Bank has to get more deposits in order to extend its business. Our cultivators should set apart a part of their funds and put their savings in this Bank. Only if all those who earn, systematically save a part of their salary and put in their savings, the country will go forward.

This Bank has been brought to its present position by the selfless efforts of a series of eminent Presidents like Sri Ramadas Pantulu, Sri Mocherla Ramachandra Rao and Sri T. A. Ramalingam Chettiar, Sri Ramadas Pantulu during his 16 years' service put co-operation on a sound basis. His exhaustive Report on co operation to the Central Banking Enquiry Committee in 1928 brought him to the limelight. No body except he could have given such a comprehensive summary. Sri Ramalingam Chettiar has done much in the field of non-credit activities. The last President of the composite bank was Sri Venkataratnam. We should give credit to their services. My thanks are due to all our Tamil friends who have come to attend this function from such a long distance as Madras and the Southern districts. They all moved as born brothers with us and did have no occasion to disagree.

Mr. Ryan has been our Registrar and will be our Registrar till September 30. This intervening period between 6th and 30th September is a formative period for us. He is solely responsible for getting this accommodation of Rs. 25 lakhs from the Madras State Co-op. Bank.

Co-operation has been an important factor in our country and life. In spite of many "isms," and many ideologies, I am one of those who believe that co-operation can do immense good and can be a great solution to all our problems.

Ten years ago it was common for an average man to hold an acre of land and this has given place to the idea of earning a fixed monthly income. Co-operation combines in itself the idea of ownership and Social justice which are found in no other system. I firmly believe that co-operation should have a place in the construction of our life and country.

INAUGURAL ADDRESS

THE HON'BLE SRI PATTABHIRAMA RAO

I was very glad when I was told that there is going to be a new Bank for the Andhra. When I was told that the Andhra Directors have secured a building in Madras for their share of the assets I feared that the new Bank might be opened there. Vijayawada has been

lucky enough to get the Bank established here. It now rests on the Andhras to develop it.

From my long experience, I do not think that the improvement is difficult. The rousing response given by Andhra Desa in respect of Government's recent Rs. 2 crore loan clearly shows that we do not lag behind any other State. Coimbatore was the first District to collect Rs. 95 lakhs. The next place goes to Kistna District which collected Rs. 61.55 lakhs. Third place also comes to us, of the Godavari, which district collected Rs. 43.4 lakhs.

If Andhra Desa has to make progress, banking institutions and especially, this Apex co-operative bank should flourish. We should not be frightened by the Godavari floods. We should aim at building more small projects than big projects for our agricultural improvement.

Co-operation today seeks to do good for the common man. Poor people are more benefitted than rich people. I also approve that principle. The Bank that is going to be inaugurated should develop by leaps and bounds.

I congratulate my Tamil friends for having come here. I appeal to the Andhra Public to help and patronise this great institution. I now declare the Bank open.

ADDRESS

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

Registrar of Co-operative Societies, Madras.

Mr. Chairman, Hon'ble Minister, Ladies and Gentlemen,

Let me first express my thanks for the way in which the President for the Andhra Co-operative Bank and the Chairman of this meeting, have introduced me to you. The Chairman was good enough to say that he was happy that I would be connected with this Bank till the end of September. No doubt I registered this Bank this morning, and took part in the official proceedings of its first General Body and Board Meetings and shall continue to minister to its wants for a few weeks more. But what gives me greater pleasure is to participate in this evening's function; for, this is an indication that co-operation stands for an ideology which transcends national frontiers—an ideology which makes no difference between France and England, between America and Russia, between Tamilnad and Andhra Desa.

When the idea of dividing the Madras State Co-operative Bank was considered, I had mixed feelings of joy and unhappiness. I was not happy because a great institution was going to be cut up. The co-operative movement in Madras is the best in the whole of India and the envy of many other States. I am aware that the co-operative movement in Bombay claims to be better than the movement here. But I am also aware that discerning people give the palm to Madras. Co-operation in Madras has built up in 50 years a very strong financial structure with 94 crores of working capital, which is larger even than the annual revenues of the Madras Government, and which provides that Government with substantial funds when they float loans. I am proud to say here on this occasion that when the two last loans were floated by the Government of

Madras, some of the first to be consulted as to how much they would be able to spare were representatives of the co-operative movement. Time was when the co-operative movement had to be helped with funds by the Government. We are now in a position to help Government with funds. That is the strength of the co-operative movement. The biggest organisation of this great movement was the Madras State Co-operative Bank. It commands a business of over Rs. 9 crores and was able to make profits last year to the extent of Rs. 5 lakhs and to declare the maximum permissible dividend of 9 per cent. When such an institution was proposed to be bifurcated and with its affiliated societies were to be divided who would not feel unhappy?

But there were other considerations—administrative democratic and economic. The administrative reasons were that the co-operative movement was so closely linked up with policies of the Government that when it changed the apex institution too had to be divided. The democratic reason was that the people themselves asked for it. The Bank belonged to its members and, when they wanted to divide, who could stand in their way? The economic reason was that co-operation succeeds best where there is a community of economic interests. When a set of people are conscious that they all come from one stock, that feeling provides the stimulus for progress. One had to seize that spirit and make the best of it with enthusiasm.

But those in authority were influenced by the experience in other spheres when they considered the question of splitting this Bank. They began questioning whether it could be divided smoothly; whether each section would care for the interests of the other; whether there would be a spirit of give and take. Probably the memory of the arbitration made by Justices Wanchoo and Misra in regard to the territories that had to go to Andhra and Mysore was lurking in their minds. Therefore, when they framed the Special Ordinance for registering this Bank and reconstituting the Madras State Co-operative Bank they laid it down that in case the composite bank did not agree with the proposals which the Registrar put before it, the matter should be referred to a High Court Judge for final decision. But here we are today without having to go to a High Court Judge. We went about the matter in a business-like manner and in the true co-operative spirit. Each side gave and took in perfect amity. The result is that we are now celebrating the inauguration of the new Andhra Co-operative Bank.

Gentlemen, now we must consider certain realities with regard to the future. Your Bank will have to face problems like any other new Bank. It will have one special problem which will cause anxiety. It will have to look about it for funds. The position today is this: The foundations of the new Andhra Co-operative Bank are very strong with a little over Rs. 8 lakhs as share capital and Rs. 22 lakhs as reserves. But if the business is to progress you need deposits. You will have an idea of how great the need is when I tell you that the Andhra Bank now stands indebted to the Residuary Bank to the extent of about Rs. 136 lakhs. When this money is repaid, you might say that the Bank is able to stand on its own legs. Now is this end to be achieved; Some of the speakers have already indicated that certain facilities have been made available to you from the Reserve Bank and the Imperial Bank. These are helps which are available to any other Bank, co-operative and non-co-operative. But if the new Bank is not to depend on outside help and proclaim

that it flourishes on that famous co-operative principle—the principle of self help—it should be able to raise deposits locally. The fact is that during the last several decades the deposits came from the southern districts to the Madras State Co-operative Bank and the loans were taken by the north. I do not for a minute say that it is a bad thing to borrow so long as borrowings are made for productive purposes; but the co-operative principle is that both prudent borrowing and saving should be done in the same institution. There are some who say—I hope I am wrong—that the savings of Andhra are spent on litigation or on luxuries. I rather think that the value of savings has not been realised in Andhra as much as it should be. The Chairman mentioned that the Godavari floods have awakened people to a sense of thrift. That sense has to be cultivated a great deal more and widely.

I am glad that this Bank this morning put up its Fixed Deposit rates higher than the rates which are being allowed by the Residuary Bank of Madras. This inducement ought to bring a good many deposits so as to make it self-supporting. I am glad to observe that the lead has been given to-day by the Hon'ble Pattabhirama Rao who has generously offered the first deposit of Rs. 1,111. I only hope that his example will be emulated by many people.

The opportunities for development in Andhra are many, and on lines not pursued elsewhere in the State. To give you a few examples of enterprises which have not been thought of in the south I might mention the sugar factory at Ettikopakka and the spinning mill at Guntakal. The Co-operative Sugar Factory at Ettikopakka commands Rs. 30 lakhs as capital a good part of which was contributed by sugarcane cultivators themselves. The Growers supply cane to the factory getting the prescribed price at controlled rates and at the end of the year they get a share in the profits in the form of dividend on shares and bonuses on supply of cane. The Guntakal Spinning Mills which is the first of its kind not only in India but in the whole world, is drawing tourists from various parts of the world and enquiries are pouring into my office about its working. We found complete co-operative spirit prevailing there. Rs. 40 lakhs of share capital contributed by weavers' Co-operative societies in Andhra Desa and those in Tamilnad had to be divided with the separation of Andhra from Madras. The weavers societies of Tamilnad have contributed more than those in Andhra. A second mill is just springing up in Tirunelveli. It has collected Rs. 12 lakhs of which the Andhra share capital is Rs. 4½ lakhs. When the Madras State Handloom Society is divided the Andhra shares in the Tirunelveli Mills and the Non-Andhra shares will be adjusted so that your Guntakal Mills will be completely Andhra and the Tirunelveli Mills may be completely Non-Andhra. The Guntakal mills will still owe Rs. 7½ lakhs to Tamilnad. The Andhra members of the State Handloom Weavers' Society, agreed that the Andhra society would pay the amount so that the mill may be completely owned by the weavers in the Andhra Desa. All this has been done without a Wanchoor or a Misra. Co-operators on both sides deserve the highest praise in this regard. The Guntakal Mills stand for a great ideology. It hopes to produce 700 bales of yarn every month and the yarn that is produced will be distributed to weavers' societies. Weavers may, therefore, be able to manufacture handloom cloth at cheaper prices than now and probably even at prices cheaper than the

mills. The scope for special co-operatives is great in Andhra; but they can take shape only if the Apex Co-operative Bank can draw large funds from the public from now. As I said, the success of a co-operative institution depends on the community of economic interest, on the feeling that it belongs to a people who have sprung from one stock. I hope this feeling will stimulate this Bank to greater and greater enterprise, that it will live up to the traditions of the Madras State Co-operative Bank, and be of benefit to Andhra and its prosperity.

FRATERNAL GREETINGS BY DR. P. NATESAN

General Secretary, Madras State Co-operative Union & Director, M.S.C. Bank.

Many decades ago when the sponsors of the Provincial Co-operative Bank as it was then called, organised that institution, little would they have dreamt that at this future date this gigantic co-operative institution was going to be bifurcated into an Andhra Co-operative Bank and a Residuary Bank. This bifurcation was not on account of mis-understanding between the Andhra Co-operators, and Tamil Co-operators, or on account of unworkability of the large area of operation. It was a necessity and a necessary corollary to the bifurcation of the State and as such has been inevitable in spite of the desire of the members to continue together. When a state is formed, it requires a separate co-operative organisation with a separate Registrar and as such a separate co-operative financing State institution. In accordance with this we have met here to-day to inaugurate the Andhra State Co-op. Bank.

On this occasion, when we are separating after a long companionship, I must express my gratitude and heartfelt indebtedness and that not only on my behalf but also on behalf of Mr. Dalavai Kumaraswamy Mudaliar, Mr. Krishnamurthi Gounder, Mr. Muthukumaraswamy Pillai and other Residuary State members who are absent at to-day's function to all the members of the Andhra State Co-operative Bank. We have been moving with a spirit of co-operation, comradeship all these years and on this occasion I must express my respect and regard to all the Andhra friends.

Mr. Bikkani Venkataratnam to whom I was introduced for the first time when I was elected as the General Secretary of the State Co-operative Union and as the Hon. Editor of the Madras Journal of Co-operation is one of the most sacred co-operators for whom I have the greatest regard. I always cherish sweet memories of my association with him at the Union and the State Bank.

Hon'ble Sri Pattabhirama Rao who inaugurated the Bank was also my colleague on the Executive Committee of the Madras State Co-operative Bank before occupying the Treasury Benches of the Madras Government. Three improvements he has made after he assumed the charge of Minister-ship: Firstly, he has physically improved very much. Secondly he has become a powerful speaker after he became a Minister. Thirdly he has become more definitely attached to co-operation than he was.

I had the acquaintance of Sri Kala Venkata Rao only for a short time. Before I became a member of the State Co-operative Union he was the Minister for Public Health. I had the fortune to sit with him on the Executive Committee of the State Bank. His advice, his mature thoughts over many problems and his impressions have always been re-membered in the Executive Committee and his advice taken with inspiration. We are all very sad to part with friends.

I offer my heartiest congratulations to the new Andhra Bank and wish it all prosperity and success.

Andhra Co-op. Central Land Mortgage Bank, Ltd.

PRESIDENTIAL ADDRESS

SRI B. V. SUBRAHAMANYAM, B.A. B.L., M.L.C.

5th September 1953.

Shri Trivedi and Friends,

Permit me first to say how very grateful we are, and how great a source of pleasure it is to all of us, that Shri Trivedi, Special Officer for Andhra Affairs, should have so kindly and so readily agreed to inaugurate the Andhra Co-operative Central Land Mortgage Bank this evening sparing our institution a portion of his invaluable time, fully pre-occupied as we all know it is with the complex problems of the establishment of the Andhra State. We are deeply appreciative of the honour done to us by the future head of the Andhra State in gracing this occasion with his presence. It encourages us to hope that he, who is no stranger to the Co-operative Movement in the country, will guide and help the growth of the co-operative institutions of Andhra, and not least among them the Andhra Land Mortgage Bank.

Let me next thank all those others in our gathering today who are men of great worth, and some of whom are destined to mould the shape of Andhra in their several spheres of activity, for it was very kind indeed of them to have accepted our invitation. We look to them for all the advice and all the assistance that they can give to make the Andhra Co-operative Central Land Mortgage Bank at least as vital an institution in the economic life of the Andhra State as the Madras Co-operative Central Land Mortgage Bank has been for nearly a quarter of a century in the economic life of the composite Madras State.

The inauguration of the new Land Mortgage Bank in Andhra is a matter for great rejoicing. But at this auspicious moment, and without detriment to the enthusiasm that should prevail, it is well to remember that we are meeting under the shadow of the gravest disaster of recent times that has overtaken Andhra. I refer to the unprecedented floods of the river Godavari. A whole green delta has been nearly washed out into the sea. The granary of Andhra has been almost lost to the ocean bed. The consequent dislocation of life is a service challenge to the resoluteness and the resources of the coming Andhra State. So also is it, at another level, to the Andhra Land Mortgage Bank, because a fair bulk of the bank's loans are distributed in the Godavari delta, and most of the agriculturist-debtors of the area must find it difficult for sometime to come to pay the usual instalments on their loans to the Mortgage Bank. At a time like this, if the Andhra Land Mortgage Bank had adequate resources, it should go to the aid of the stricken people in the reclamation of lands and homes, and should thereby establish the validity of the co-operative principle in the Nation's economic life. But the Andhra Land Mortgage Bank is very far indeed from such sufficiency of resources. And that brings me to the other problems of the Andhra Co-operative Central Land Mortgage Bank on the bifurcation of the composite Madras Co-operative Central Land Mortgage Bank.

By the bifurcation of the composite bank even before the 1st of October, the Andhra Land Mortgage Bank has stolen a march over the Andhra

ANDHRA CO-OPERATIVE CENTRAL LAND MORTGAGE BANK LTD.

State. In one sense that has only meant that our bank's troubles are to begin earlier, and for the very reason that the bank is to come into existence before the State on which it relies. But this was inevitable in the circumstances. And it is a matter for gratification that the Board of Directors of the composite institution unanimously accepted the principles that should govern the bifurcation and the division of assets and liabilities between the residuary Madras Land Mortgage Bank, the Andhra Land Mortgage Bank and the Mysore Land Mortgage Bank. These principles were decided at the meeting of the composite Board on the 16th of August, 1953.

Broadly speaking, these are the features of the bifurcation and the division of assets and liabilities. The authorised capital of the residuary Madras Land Mortgage Bank is to be Rs. 80 lakhs, and that of the Andhra Land Mortgage Bank is to be Rs. 20 lakhs. The outstanding debenture liability of the composite bank, which is about Rs. 6.27 crores, is to be divided between the residuary Madras Bank, the Andhra Bank and the Mysore Bank on the basis of the total loans issued by the composite Bank over a long period in the respective areas of operations of the three Banks. The Sinking Funds are to be divided on the basis of the collections on the loans, received in the respective areas. Loans financed outside the debenture money are to be divided and allotted on the basis of the respective areas in which they were disbursed. The composite bank's liability to the State Government, under the Government's temporary accommodation of Rs. 80 lakhs a year, is to be divided on such a basis too, taking account of the loans financed with the money so made available to the composite Bank. Of the common assets in their entirety, viz., (i) Reserve Fund, (ii) Reserve for Bad and Doubtful Debts, (iii) Depreciation Reserve, (iv) Debenture Redemption Reserve, (v) Dividend Equalisation Fund, (vi) Common Good Fund, (vii) Funds for Subsidies to Primary Banks, (viii) Profit for the year 1952-53, and up to the date of bifurcation (ix) Furniture and Fixtures, and (x) Other Common Assets, 54.6 per cent will be the share of the residuary Madras Land Mortgage Bank, 44.9 per cent will be the share of the Andhra Land Mortgage Bank, and 0.5 per cent will be the share of the Mysore Land Mortgage Bank. The principles, we think, are just and reasonable and fair. I have no doubt that the work of following up these principles into the details of the division hereafter as between the residuary Madras Land Mortgage Bank and the Andhra Land Mortgage Bank will be equally harmonious and smooth. A great many of the details have already been worked out, but the final figures await the scrutiny and the acceptance of the banks concerned.

Just before requesting Shri Trivedi to inaugurate the Andhra Co-operative Central Land Mortgage Bank, I do not wish to mar the occasion by making plaintive demands on behalf of the bank. But I feel that I should be failing in my duty to the Andhra Land Mortgage Bank and to the Andhra State if I do not mention certain fundamental needs of the new institution which cannot wait till after the inauguration of the Andhra State. The composite Madras Land Mortgage Bank was the most important long-term agricultural credit institution in the whole of India. After the bifurcation, the Andhra Land Mortgage Bank will be second only to the residuary Madras Land Mortgage Bank in its utility and importance. Let me in this connection invite attention to certain figures. The position relating to the distribution of debentures is as follows :

THE MADRAS JOURNAL OF CO-OPERATION

	Rs.
From the Andhra area	... 1,12,14,300
From the residuary Madras area	... 4,79,85,000
From outside the two areas	... 85,61,200
Total Rs.	... 6,27,10,500

But this must be seen in conjunction with the position relating to the loans disbursed in the two areas which for the last two years is as follows:

Year	No. of loans	Amount Rs.	Residuary Madras.	
			No. of loans	Amount Rs.
1951-'52	1637	38,83,960	1826	44,00,105
1952-'53	2377	58,16,830	2063	46,86,740

On these figures, the Andhra Land Mortgage Bank requires roughly five lakhs a month for the disbursement of loans to members of the primary banks. Ultimately, of course, the money for such disbursement has to be raised by the flotation of a debenture on the guarantee of the Andhra Government. For the time being, however, the money has to be obtained as an accommodation from the Andhra Government. The Andhra Land Mortgage Bank requires the aid of the Andhra Government in both these directions almost immediately after the first of October. By normal legislation or by Ordinance, the limit for the guarantee of the Andhra Government under section 6 of the Land Mortgage Banks Act has to be fixed. For the composite State, this was last fixed at Rs. 7 crores. I plead on behalf of the long-term agricultural credit movement in Andhra that the limit under the Act should be fixed at least Rs. 4 crores in all, to start with. The liability under the existing guarantee of the composite Government which falls, on division, to the share of the Andhra Government is itself nearly Rs. 3.15 crores. In the matter of the temporary accommodation to the Andhra Land Mortgage Bank by the State Government between now and the first of October, the composite Government and the Department for Andhra Affairs have been addressed by us, and, we trust, Sir, that with your kind intervention, if and when needed, the Andhra Land Mortgage Bank will be allowed to function usefully from its very inception instead of marking time for want of funds.

The Andhra Co-operative Central Land Mortgage Bank requires the blessings and the good-will of every one of you assembled here. The bank, to fulfil its object, must be backed not merely by the agriculturists and the Co-operators of the countryside, but also, and possibly very much more, by the depositors big and small, by the Andhra Government and by the Reserve Bank of India. We are glad to see amidst us to-day an important representative of the Reserve Bank of India in the person of Sri B. Venkatappiah, the Executive Director in charge of the Agricultural Credit, who has come down to guide us in the problems of bifurcation and to ascertain for himself the manner in which the Reserve Bank may best be of assistance to the bifurcated co-operative credit institutions of the State—those which have been apex institutions of the composite State—during the difficult period of transition. We are grateful to the Reserve Bank of India for the increasingly important and constructive roll it has

ANDHRA CO-OPERATIVE CENTRAL LAND MORTGAGE BANK, LTD.

been playing in the spheres of long-term and short-term agricultural credit, and we look to it for both advice and assistance in our efforts to ensure the smoothest possible functioning of the new bank following its establishment.

And thanking Shri Trivedi again for his great kindness in agreeing to inaugurate the Andhra Co-operative Central Land Mortgage Bank this evening, I request him on behalf of all of you to inaugurate the Bank, to bless it, and to give us, on this occasion as well as hereafter, the benefit of that invaluable guidance for which we know we can confidently turn to him.

GIST OF THE INAUGURAL ADDRESS

SRI C. M. TRIVEDI

Special Officer for Andhra Affairs

Mr. Trivedi felt happy that he had had the pleasure and privilege of meeting so many workers in the co-operative movement in the composite State of Madras and also meeting once again on that occasion many distinguished personalities or personages in Madras. The President was right in saying that he (Mr. Trivedi) was no stranger to the co-operative movement, for he had served in the Co-operative Department from 1922-'28, for a year and a half as Deputy Registrar and for three and a half years as Registrar of Co-operative Societies in Madhya Pradesh. He well remembered the many leading personalities in the co-operative world, both non-official and official, and he recalled the services of late Mr. V. Ramadas Panthulu, a veteran co-operator. He had had the privilege of discussing with him problems relating to co-operation. "In those days, so far as I remember, we did not look to Madras for inspiration and guidance. We looked to the Punjab, Many co-operators, officials and non-officials, pilgrimaged there. But I am very glad to learn that Madras is now one of the most leading States, perhaps the most leading State, in the co-operative movement. It is very good thing indeed".

Role of Co-operation

"It is said," Mr. Trivedi observed referring to the inauguration of the Andhra Co-operative Central Land Mortgage Bank, "that money and power are usually the sources of quarrels and troubles. But in this particular case, I am very happy to note that the principles of the division of assets and liabilities have been worked out smoothly and accepted cheerfully in a spirit of co-operation. It is indeed how true co-operators should behave. When it comes to implement those principles in actual details, I am sure that all my friends, co-operators, whether official or non-official, will show the same spirit as has been shown in evolving the principles for the division of assets. This is not an occasion for enlarging on what the co-operative movement stands for. You all know it. In the midst of workers who have given many years to the cause of the movement, it is not necessary to say that the application of the principle of co-operation of the key to most of our difficulties in rural India. I well remember the Royal Commission on Agriculture writing that co-operation has a great future and great possibilities and that if co-operation fails then fail the hope of rural India.

"You have to-day divided the assets and liabilities," Mr. Trivedi said and added, "but there are also intangible assets. The intangible asset of the Madras Co-operative Land Mortgage Bank is to my mind the good traditions built up over a series of years by the voluntary labour of many workers. Although the division has taken place, I am sure that all those good traditions will be taken to the Andhra by the Andhra Co-operative Central Land Mortgage Bank."

Mr. Trivedi made a reference to the President's remarks about him as "the future Head of the Andhra State" and said that they seemed to be in the habit of stealing marches. "You described me," he said, "as the future head of the Andhra State. All I can say is that you have stolen a march over any official announcement that may be made. I do not think I will be Head of the State of Andhra. Therefore, I cannot speak to-day on behalf of the future Head of the Andhra State, because there is no official announcement as to who the official Head is going to be. All I can say is that the request which you have made, will be duly considered by the Andhra Government and if by chance I happen to be the Head of the State, I can tell you that the problems and difficulties of the Co-operative movement and the Land Mortgage Banks, in particular, will receive my attention not so much as the Head of the State but as an old co-operators."

Mr. Trivedi hoped that all of them would join him in wishing the new institution a career of ever-increasing prosperity and its being a progressive, potent instrument for the welfare and advancement of the rural population of Andhra.

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The Andhra Handloom Weavers' Co-operative Society Ltd., Vijayawada

14th September 1953.

WELCOME ADDRESS

BY SRI D. RAMAKANTA RAO, M.A.,

*President, Andhra Handloom Weavers Co-operative Society Ltd.,
on the occasion of the Inauguration of the Society.*

Mr. Lobo Prabhu, Mr. Ryan; Brother Co-operators and Friends,

It is with great pleasure we welcome you to-day to participate in this inauguration ceremony of the Andhra Handloom Weavers' Co-operative Society, Ltd., and to request you to give your blessings to us in our new venture.

This is an unique event in the history of Andhra Desa. Though the Andhra State is to come into being on 1st October, we are starting this new Society to-day in order to be ready and play our due part in the economy of Andhra Desa.

You are all aware that the Weavers' Co-operative Societies were mainly the result of the efforts of the self-less workers in the co-operative field as well as the beneficent measures of the Union and State Governments. The Madras Government wisely thought of starting a Provincial Organisation on co-operative basis for weavers, to utilise the subsidies given to Handloom Industry in the year 1936 and onwards. Though the subsidy amount was small, it was well utilised. The Provincial Weavers' Co-operative Society was able to encourage formation of Primary Weavers' Co-operative Societies as producing centres and start emporia on a large scale for marketing of cloth. The development of the Weavers' Co-operative Societies, since then, was steady and progressive. No doubt there were bleak periods but with the help of the Government and the able service of the people at the helm, the Provincial Society was able to tide over the difficulties and grow into the biggest co-operative Weavers' organisation, not only in Madras State but in India.

It is but natural that one should feel sorry, when we were called upon to divide the society which was fostered with such care and effort. But we had to take into consideration the feelings of Andhra People and their cherished aim to have a State of their own with an intention to develop their culture and economy. When these feelings culminated in the establishment of their long sought for Andhra State, we rejoiced along with the rest of the Andhra People and set upon the task of division of this premier organisation of the Weavers. Our Tamil Colleagues fully co-operated with us and made possible this division without hitch or hinderance and our thanks are due to them for their co-operation. I believe that only in the co-operative field such amicable and speedy division became possible and it is a pride to us, Co-operators, to contemplate on this achievement.

The present period is a period of depression and distress for handloom weavers. All over the State millions of weavers are idle, most of them starving and ultimately leaving this World for good. When such is the situation in the State, the task set to this new society for amelioration of the weavers, creating employment and finding markets for handloom cloth, is very great indeed. Many have already warned us of this heavy task. We are fully conscious of it, though we can only pray to God to help us in this calamity; and we hope we can draw upon His Grace and do our work earnestly and diligently.

The efforts of this Society alone will not be enough to solve this stupendous problems of Handloom unemployment. Union and State Governments must find a lasting solution therefor. The levy of cess on mill cloth and reservation of coloured sarees and dhoties upto 40 per cent of the mill production are no doubt welcome measures to protect the Handloom Industry. Schemes submitted for utilisation of cess funds when implemented would help the marketing of Handloom cloth both inside and outside the Country.

It behoves on the Union Government to sanction these schemes early and enable the handloom weavers to derive the benefits thereof.

For the immediate relief of the handloom weavers, the State Government, however, should take bold steps. The heavy stocks of handloom cloth, with the Weavers' Co-operative Societies, Sales Emporiums, the Master Weavers and the handloom cloth merchants, have to be liquidated and the weavers should be enabled to be given employment. We believe the State Government, would give their immediate attention to this Problem.

On the long range policy for the protection of the handloom industry, the recent decision of the All India Handloom Board, to reserve sarees and dhoties of 40s and below exclusively for handlooms may be given effect to as an interim measure of relief and finally the whole production in sarees and dhoties may be earmarked for handlooms. This kind of reservation alone, can help the handloom industry and make it withstand the competition of the Textile Mills. We are anxiously watching what the Union Government would do in this regard.

As per the decision of the Partition Committee, the Andhra State Weavers' Co-operative Society is getting assets of Rs. 67 65,851 as against liabilities of Rs. 44,98,518. In view of the present trade slump it would be a heavy task for the management of the new society to balance its budget. The primary weavers' co-operative societies in the new State should come forward with liberal contribution towards share capital of the State Society. The Co-operation and the assistance of the public is much more necessary. We appeal to them to prefer the handloom cloth to the mill cloth. This will not only help to strengthen the handloom industry, but will feed every twelfth man amongst us.

Only recently an unprecedented calamity happened in East and West Godavari Districts, where thousands of Weavers' families have been rendered homeless; and they have lost all they possessed including their looms and other implements. I appeal to the Government and the generous public to come forward to their rescue with liberal contributions.

It is a privilege to me to refer to the valuable services rendered by Mr. Ryan, the Registrar of Co-operative Societies. The development and expansion of the activities of the State Society is due to his planning and forethought. He spared no pains and gave his best thought for the formation of the new society also. We are very grateful to him for his great services, and we salute him on this occasion.

We also extend our hearty welcome to the new Registrar of Andhra State, Sri K. Subramanyam Naidu. His valuable services to the Co-operative movement and his abilities are well known. We hope and believe that he would give us his unstinted co-operation and help us in our efforts.

At this juncture we have also to remember the services rendered by the former Presidents, Directors, Business Managers of the Madras State

Handloom Weavers' Co-operative Society, Sri M. Somappa, our former President and Sri A. D. Balasundaram, our former Business Manager have rendered valuable services and we are grateful to them and offer our special thanks to them on this occasion.

I am grateful to the Hon'ble the Chief Minister Sri C. Rajagopalachary for his ready consent to inaugurate our society and give us his blessings. Though he is unable to be present with us to-day, his blessings would help us, to progress and prosper. We fervently pray that he would continue to Champion the cause of the handloom weavers.

I, thank Mr. Lobo Prabhu for his kindness to go over here and preside over this function. Mr. Lobo Prabhu is a friend of the Weavers. We hope that he would help the cause of the weavers and be taking as much interest as he was taking before in the undivided State.

Responding to our invitation and particularly to our Tamil friends who have made it convenient to be present here and bless this inaugural function.

INAUGURAL ADDRESS

BY THE HON'BLE SRI C. RAJAGOPALACHARI

Chief Minister, Government of Madras.

The largest single industry that is done in the individual worker's own cottage, in town as well as in village, in North, East, South and West in India, is weaving on the handlooms. The largest amount of unemployment ensues when this industry is interfered with by competition or hampering restrictions. The most willing body of workers in all the wide field of labour in India are these weavers and their wives and mothers and unmarried sisters. They have fought bravely, and so far successfully, first against foreign mill-manufacture and next against Indian mill-manufacture. We cannot allow the capitalist mill industry to create unemployment on a monstrous scale. This would be the inevitable consequence unless we discard fallacies and take heed betimes. No sacrifice is too heavy, no measures are too harsh if we find that by such measures we can avert the disaster that is slowly but surely advancing towards us.

Unemployment is not the result of ignorance or unwillingness to take advantage of available opportunities. It cannot be therefore remedied merely by imparting information or by giving temporary subsidies which will act as incentives leaving people to themselves thereafter. Unemployment in a country like ours, be it among working families or among the intelligentia that are averse to bodily labour, is the result of social and industrial mis-arrangements which must be boldly rectified.

Can we ignore the existence of handloom weavers? If we cannot do it, what shall we do to make their life less miserable and more secure? We should take nothing for granted in a superstitious way. Co operation certainly helps up to a point. Those that co operate will have a distinct advantage over those that keep out. But the interests of the handloom industry as a whole can be solved only by removing the causes that brought the handloom weavers to their present plight.

With these brief but earnest and solemn words, I prayerfully inaugurate the Andhra State Handloom Weavers' Co-operative Society at Vijawada.

May the weavers trust in god and may the leaders of the Co-operative Society look upon the organisation as a temple and look upon the day-to-day work involved as sacred worship!

News & Notes

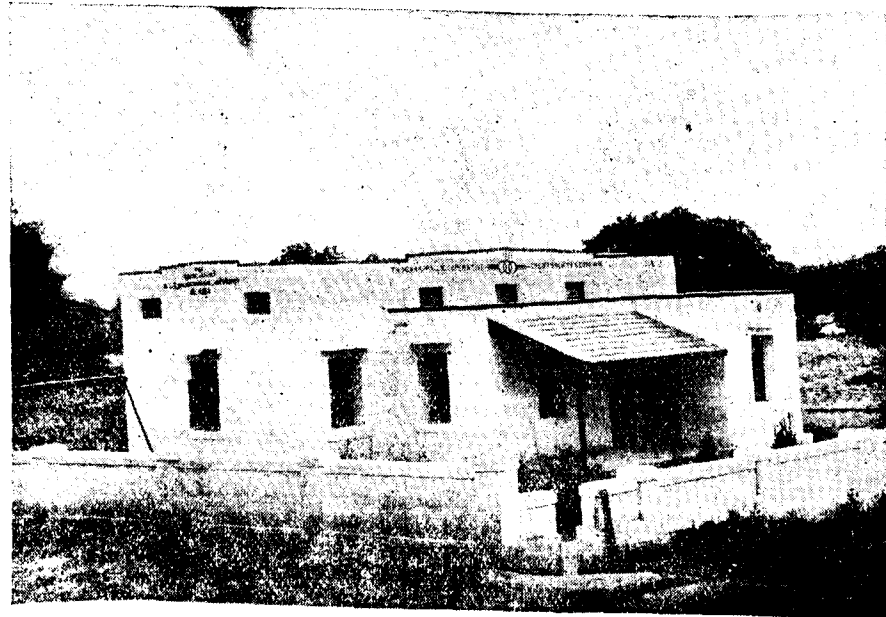
Co-operative News

The godown of the Thogarapalli Co-operative Credit Society (Salem District) was constructed at a cost of about Rs. 18,000 with the Government aid to the tune of Rs. 15,550 on the plot of one acre, donated by Sri D. Krishnamurthy Gounder, M.L.A., President of the society and by his brother Sri T. D. Ramamurthy. It was declared open by Sri J. C. Ryan, M.A., I.A.S., Registrar of Co-operative Societies, Madras. In declaring the godown open, the Registrar laid stress on the importance of such godowns in villages as they would help the ryots to stock their produce and sell them when the market was favourable. He also desired that the village should go in for a rural house building society for the benefit of the villagers.

Dr. P. Natesan, M.B., B.S., President, Madras District Co-operative Central Bank Ltd., Madras, in his presidential address, observed that such functions gave wide publicity to the co-operative movement and drove home to the village peasantry the bright prospects and benefits of the movement.

The society has provided a play ground, equipped with necessary playing materials for the benefit of the children of the area. It is also running a Free Public Library.

Portraits of Sri J. C. Ryan, M.A., I.A.S., Registrar of Co-operative Societies, Madras, Late Sri N. Doraisamy Gounder, first president and father of the present president of the society, Sri D. Krishnamurthy Gounder, M.L.A., President of the society and Sri M. Basuvalingappa Chettiar, Secretary of the society were opened on the occasion.



Godown of the Thogarapalli Co-op. Society (Salem Dt.) Opened on 12-9-53 by Sri J. C. Ryan, M.A., I.A.S., Regr. of Co-op. Society, Madras.

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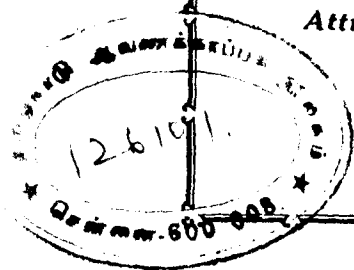
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