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THE MADRAS CO-OPERATOR

EACH FOR ALL



ALL FOR EACH

VOL. III]

JULY & AUGUST 1932

[Nos. 1 & 2.

2 SEP 1932

Co-operation in Mysore.

The report on the working of co-operative societies in Mysore for the year 1930-31 throws very good light on the progress of the movement in the state. The increase in turnover and the large volume of business transacted during the year indicate the services rendered by the co-operative institutions of the state during the period of economic depression. The number of societies increased from 2102 to 2213, the working capital from 1'69 crores to 1'89 crores, paid up share capital from 47'13 lakhs to 48'88 lakhs and the reserve fund from 21'32 lakhs to 22'78 lakhs.

Special mention was made about the high rates of interest charged on loans to societies and also the unsatisfactory condition of District Central Banks. It is also reported that many grain banks are not functioning properly and that it is necessary for the Registrar to examine the causes for their present condition and suggest remedies.

It is interesting for Madras Co-operators to note that the Government is placing funds at the disposal of the Department for financing the depressed class societies. It is further stated that the loans to de-

pressed class societies are free of interest for the first two years and carry 5 per cent interest thereafter, and the progress among these societies is steady and a matter for satisfaction. In Madras, the amelioration of depressed classes is attempted in a different way. The Government is kind enough to appoint a number of inspectors i.e., at the rate of one for every 25 societies for intensive supervision and collection of dues to financing banks; this, we are informed, is costing the Madras Government about a sum of One and Half lakhs a year. When we compare these two systems we are of opinion that the Mysore attempt goes a long way to benefit the poor men. The depressed classes are enabled to obtain loans at very cheap rates of interest and their office-bearers are encouraged to devote their time by grant of bonuses to secretaries of depressed class societies who do good work in their societies. It is commendable to note also that the state is kind enough to make a free grant of account books and registers to depressed class societies.

Co-operation is also spreading among the women folk of the state. At the close of the co-operative year under reference

there are 18 co-operative societies exclusively for the benefit of ladies with a membership of 626 and a paid up share capital of Rs. 6,681. The Registrar feels that the co-operative movement has a great scope for usefulness among women. The lines on which co-operation should develop among them have scarcely received sufficient attention among the ladies of the state. Whether attention should be concentrated upon the development of thrift, the spread of Home industries and reform of social customs as in the Better-Living-Societies to be found elsewhere or on all these activities and the lines on which the women's societies should work is a question which might well receive the consideration of the women of the state and he trusts that the various women associations and Mysore State Ladies' Conference to take up this question.

We are glad to note that co-operators of Mysore state are not mere Dividend hunters. They, at their 16th Conference, requested the Government to limit the dividend in societies to 7½ per cent and the Government were pleased to accept their resolutions and amend Rule 18 of the Co-operative Rules as follows :—

"A member of a co-operative society shall not receive in dividend and bonus for one year a sum exceeding 7½% on the share capital actually paid up by him without the sanction of the Registrar nor shall penal interest be appropriated towards profits except with the express approval of the Registrar."

"In a society with unlimited liability, all the net profits shall be credited to the reserve fund of the society and no dividend or bonus shall be paid except with the general or special sanction of the Registrar."

This kind of self-restriction has enabled societies to set apart a portion of the profits for civic and social activities. We are glad to note that 81 societies are maintaining free reading rooms for the benefit of their members and the general public. In addition to these we are told a number of smaller societies get newspapers and Sahakara Patrikas for the use of their members.

It is very pleasing to note the work done by Lalitadripur Co-operative Society in Mysore Taluk. The society has taken up Rural Reconstruction work in three directions viz., credit, house-building, and grain store. All the 140 families of the village including untouchables or Adi-Karnatakas have joined this society. Home-savings boxes are freely distributed and amounts collected by them are credited to members' share account. Out of the net profits of the society, funds for various useful village activities are set apart. An adult school is run, Temperance propaganda is carried on, Rama Mandir is actively at work with the funds allowed to it. The avenue, the thope and the roads are maintained out of the funds contributed by the society. Agriculture on improved lines is encouraged. The Village chavadi is repaired at the societies' Cost. A free library is also maintained. It is gratifying to note that no Civil or Criminal cases are taken to courts from the Village. The successful working of the society is due to the gracious interest evinced by the Ruler His Highness the Maharaja of Mysore.

The Registrar is not unaware of the increase of overdues. He says that "Out of a demand to the extent of Rs. 6,69,355 a sum of 2,65,307 only was recovered. The balance is very heavy and unless energetic measures are adopted to reduce the arrears, the usefulness of this Apex Bank will be impaired. "Owing to the fall in prices," it is noticed "that proper

bids cannot be secured for the lands in the case of execution sales and the societies themselves have in a number of cases purchased the properties of the judgement debtors. Under the circumstances, the indebted societies can only transfer the lands they have obtained to the Central Bank towards the discharge of their loans and the best course would be for the central bank to get the properties transferred to its name and arrange for their sale at a convenient time when it may be possible to find proper purchasers for the lands." We are quite sure that if this state of affairs is allowed to continue, the co-operative movement will come to dis-

credit at an early date. Co-operators should attempt to see that recoveries are made without forcing the defaulters to part with their lands. This is a danger against which, Co-operators, be they at Mysore or in Madras, should be guarded against.

The Government is rendering aid to Co-operators in more than one way. Free grants are given to the land mortgage banks in their initial stages. We are glad to note that the Registrar finishes his report with a programme for the coming year. With a programme in view we are quite certain that the movement is bound to progress.

The Battle Hymn of Co-operation.

(Tune : Battle Hymn of the Republic.)

Oh we are a mighty army though we bear
no sword or gun,

We're enlisted till the struggle for
co-operation's won,

And beneath our banner blazoned "One
for all and all for one",

Consumers marching on!

Come and let us work together
Come and let us work together
Come and let us work together
Consumers marching on!

It was long ago in Rochdale that our cause
first saw the light,

We were sadly few in numbers but
our principles were right,

But to-day we count our millions as we
gird ourselves to fight;

Consumers marching on!

Come and let us work together
Come and let us work together
Come and let us work together
Consumers marching on!

Oh the world to-day is suffering filled with
poverty and pain,

And the day has come for freedom
from the curse of private gain,

For all may live in comfort 'neath Co-
operation's reign.

Consumers marching on!

Come and let us work together
Come and let us work together
Come and let us work together
Consumers marching on!

Oh we know our scheme is righteous and
we know our cause is just;

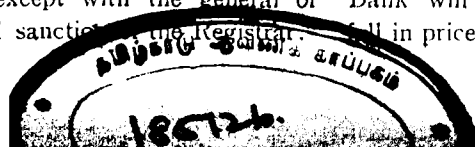
For on the brotherhood of man we
firmly base our trust;

Let us strive to win the victory, for win
we can and must,

Consumers marching on!

Come and let us work together
Come and let us work together
Come and let us work together
Consumers marching on!

(From Co-operation.)



Model By-Laws on Jewel Loans

(For Co-operative Banks.)

The following By-law is accepted by the Deputy Registrar of Co-operative Societies, Chepauk, Madras as By-law No. 44(6) in his proceedings No. R. Dis. 1132/32 dated 14-7-32 and incorporated in the by-laws of the Nungambakam Co-operative Bank Ltd

By-law No. 44(6):—"On the pledge of gold jewels wholly belonging to the borrower not exceeding 50 per cent of the estimated market value, gold being treated as bullion and ignoring the value of any precious stones that may be on it".

The Deputy Registrar further approved the following Subsidiary By-laws for Jewel Loans.

1. Loans may be advanced on the pledge of gold Jewellery made thereof either as main or subsidiary security. The article or articles so tendered as security shall be known as 'Jewel' for brevity. It shall also be lawful for the Board to accept a Jewel in the sense noted above, as an additional or collateral security for a loan already issued otherwise.

2. The applicant for a "jewel loan" shall apply as in form prescribed by the Board.

3. The President and any two Board of Directors may sanction a "jewel loan" not exceeding 50 per cent of the estimated market value gold being treated as Bullion and ignoring the value of any precious stones in it.

4. The articles offered for pledge shall be appraised by the appraiser or such other person as the Board may appoint in this behalf provided however that the appraisal is done only by such person as has furnished security to the satisfaction of the Board of Directors.

5. The borrower of a jewel loan shall ordinarily attend the bank office and receive the loan in person after executing the necessary documents. The president may in special cases modify this provision as he deems fit.

6. "Jewel loans may be advanced (a) on demand promotes or (b) instalment bonds stipulating for the repayment of the debt by monthly instalments not exceeding 12 months.

7. When repayment is made of a jewel loan, the articles thereby redeemed shall be delivered back to the owner.

8. Any 'Jewel' separately appraised may be redeemed in part by a proportionate part payment. It is however within the discretion of the president or the Board to allow or to refuse this.

9. When an instalment payable under an instalment loan remains unpaid at the appointed time, the whole debt becomes due at once.

10. As a rule no jewel loan shall be kept outstanding beyond 12 months from the date of issue. It may be renewed if the Bank permits.

11. The Board of Directors may at any time call for the payment in part or in full of any "Jewel Loan" and insist upon the redemption of the "jewel" within a period not less than 15 clear days from the date of issue of notice to that effect; if the redemption is not so made the Board of Directors may proceed to sell the articles in public auction.

12. The articles pledged shall be liable to be sold by the bank in public auction if payment of interest or principal or both be not made at the appointed time.

The sale will be conducted under the following rules:—

(a) if default occurs, a default notice shall be given 15 clear days after the due date, that the pledged property will be sold by public auction specifying the date, place and hour of the sale and conditions and consequences of the sale.

(b) the date of sale shall not be earlier than 14 clear days after the date of issue of notice.

(c) the notice of sale shall be published on the notice board of the bank and in such other manner as the Board may specifically order.

(d) if at any time before the article is knocked down in the auction, the entire debt and interest and charges, if any due to the bank be paid in, the auction sale shall be stopped.

(e) the auction sale shall be held by the President along with two other members of the board or at a special meeting of the Board. They shall have the discretion to sell the articles either in lots or as a whole.

(f) the property put up to sale shall be knocked down to the highest bidder.

(g) the sale may be held under such conditions and terms as may be specifically determined and imposed by the Board.

(h) Every bidder shall deposit one rupee before bidding in the auction that may be held and the highest bidder shall deposit 25 per cent. of the amount so bid immediately and balance payable within a week.

(i) the sale proceeds shall be appropriated in the following order:

(1) the charge incurred by the bank in publishing and conducting the sale, (2) interest due, (3) principal due.

(j) if after so crediting the sale proceeds a surplus is left it shall be kept in Anamath to the credit of the owner and shall be paid over to him on demand, subject, however, to the condition that there is no other claim by the bank against him that necessitates withholding. Notice to the party about his surplus balance should be sent from the bank soon after sale adjustment. This will lapse to the bank if unclaimed for over three years unless the board directs otherwise.

(k) if a deficit is left, the debtor is liable for it.

(l) in case of loss to the bank due to fraudulent or negligent appraisal, the officers responsible for the appraisal shall be liable to make good the loss. (This does not prevent the officers holding the auction from stopping the sale or cancelling it on the spot for sufficient cause.)

(m) When any loan is discharged the pronote or bond evidencing the same shall be returned to the party.

13. The application for loan on pledge of "Jewel" as well as one for tendering "jewel" as an additional or collateral security for an existing loan shall provide for the following among other things namely.

(a) A warrantee of title to the custody and ownership of "Jewel" tendered by the applicant

- (b) for a right reserved with the bank deposit the jewel so offered and accepted as security for any loan or loans raised by the bank without prejudice to the right of the borrower to claim custody of the jewel deposited by him on the complete discharge of his "Jewel loan" account.
- (c) for reserving a right with the bank to keep custody of any jewel pledged with the bank even after the jewel loan account or accounts are closed, if there should be other liabilities of the member in the bank and if the Board of Directors should so decide as to keep custody of the same until the other liabilities are cleared.
- (d) for securing the written consent of the husband or the wife for the pledge according to the applicant is the wife or the husband.
- (e) for saving the society from any loss in reference to the jewel pledged by vismajor or act of state.
- (f) for obliging the borrower to abide by the provisions of the co-operative societies Act II of 1912, the rules framed thereunder the

by laws and the subsidiary by-laws of the society.

- (g) and generally for safeguarding the interests of the bank.

14. The "Jewel" accepted by the bank on pledge shall be entrusted to the President of the bank for safe custody in the bank itself or with the Madras District Co-operative Central Bank, Madras.

15. The Society shall maintain a "Jewel" security register in a prescribed form and all "Jewel" with reference to the loan covered by it shall be entered therein.

16. It shall be the duty of the Secretary of the Bank to make a fortnightly verification of the jewel in custody with the bank and two other directors shall verify monthly and report the results thereof to the Board of Directors at the next meeting. An appraisal fee of annas two for the first 50 Rs. or part thereof, with an additional fee of annas two for every Rs. 100 or part thereof in excess, shall be levied on all applications for loans on pledge of "Jewel" and the same shall not on any account be returned to the member. A custody fee of annas two on every "Jewel" loan issued shall also be levied.

(Sd) C. D. NAYAGAM,
Dy. Registrar.

LATE Mr. C. NARAYANAN NAIR.

Mr. C. Narayanan Nair, B.A., joined the Co-operative Department in November 1921 as a mere clerk. In the course of four years he rose to the position of an Assistant Registrar and in another four years to that of a Deputy Registrar of Co-operative Societies. He also assisted the Townsend Committee as its special officer. He revised the Hemingway's Manual.

Mr. Nair was very social and worked with a missionary zeal in the cause which he chose to serve. He was loved by his superiors and respected by his subordinates. Mr. D. N. Strathie, the Registrar of Co-operative Societies, who was camping at Chittoor returned to Madras immediately on receipt of a telegram to have a last glance at his departed assistant. The whole staff of the Co-operative Department at Madras, and several non-official Co-operators and friends were present at his funeral which took place on 5th July 1932. He was scarcely 32 years old. In him the Co-operators of Madras lost a real friend, philosopher and guide.

Editorial Notes

We had occasion to note in the columns of this Journal the Changes that were sought to be brought out in the New Act when it was in the Bill form. The present Madras Act VI of 1932 is intended to consolidate and amend the law relating to co-operative societies in Madras Presidency. After obtaining the necessary consent of the authorities to the Bill as passed in the Local Legislature, it was first published in the Fort St. George Gazette, Madras, on 5th July 1932 and from which date the Madras Act VI of 1932 comes into force.

The scope of the Act is extended so as to bring within its fold not only persons of limited means but all persons with common economic needs and to bring about better living, better business and better methods of production. The provision in the old Act, giving to members of societies, limited by shares, as many votes as may be prescribed in their by-laws is taken away and the true co-operative principle of one man one vote is clearly embodied in the present Act. This is a healthy change. Provision is also introduced for the division and amalgamation of societies.

We are particularly glad to note that for the first time in this Presidency, the law relating to the liability of members of unlimited liability societies is made clear. The members are jointly and severally liable for and in respect of all obligations of such

societies only on their liquidation. Hitherto the practice was not uniform. The financing banks and creditors took action against any solvent member of an unlimited liability society, enforced their awards in execution against that member to his ruination. Some courts allowed such executions, others refused to execute such awards on the ground that the member concerned was not specifically made a party to the suit. The provision in the Act that a member's liability of such societies can be enforced only on the liquidation of the society concerned, is not only welcome to members of such societies but goes a great length to develop the movement.

The interests of societies are safeguarded by making provision in the Act, by attachment of property of borrower members before passing awards and execution of awards by the Registrar and by any person subordinate to him empowered by him in this behalf. The power to attach and sell the defaulter's property will, we are quite certain, diminish the alarming overdues of societies to a very great length. But for this provision, the growth of overdues will continue unchecked. Care was also taken to introduce in the Act to remunerate persons for the work done by them either as Secretaries or as clerks on such scales as prescribed in their by-laws. It is made clear that the societies must be run on proper and business lines. If the work of a society is such as to require the

services of any person, that person may be remunerated for the work done in the society. But if persons fraudulently retain any moneys of societies or wilfully disobey orders to the detriment of co-operative institutions, penal clauses are introduced to surcharge them and to punish them.

Notwithstanding anything contained in any other enactments, the Local Government may, subject to such rules as prescribed in this behalf, grant loans to, take shares in, or give financial assistance in any other form to any registered society. It is also laid down clearly that by reason of any technical defect in the organisation or working of any society, acts of such societies shall not be invalidated. But where societies are found to be beyond all redemption, power is given to the Registrar to dissolve the committees and to appoint a suitable person or persons to manage the affairs of the society for a specific period not exceeding two years. In doing so, he is directed to consult the financing bank regarding such actions and provisions to be made for the management of the affairs of the society.

The financing banks are given powers to inspect the books of the societies indebted to them and also to call for such information, statements and returns, as may be necessary to ascertain the financial condition of the society for the safety of the sums lent to them by the financing bank.

It will be noticed from the changes introduced in the New Act that it has been the intention of the Government

to overcome the present evils by providing speedy means for attachment and sales, remunerating persons for work done, punishing fraudulent people and dissolving the committees of societies which are absolutely helpless. Government can also invest funds or give financial assistance in any form to deserving societies. To remedy the existing defects in the movement more power than is absolutely necessary is given to departmental officers. The Act will, if properly administered, be very beneficial to members, societies and financing banks. But we are not unaware of the dangers which may result to societies and the scare to which members may be put by the abuse of the provisions of the Act. We trust that the Act will be administered in such a manner as to bring greater happiness to greater number of people and to advance the interests of co-operators.

The members of Queen Victoria Co-operative Society in Madras City were labouring under various disadvantages when Mr. S. H. Slater, I.C.S. now the Development Secretary to Government was the then Labour Commissioner at Madras. The members of the society applied in April 1925, to the Commissioner for Labour to help them in the purchase of the land which was unfit for human habitation. In 1928 the Government purchased the land for about Rs. 1,076 and improved the land by raising the level, making roads and by providing common amenities such as a school, a bath room, and setting apart some

A Co-operative Colony in Madras

plots for public purposes and providing them with a latrine also. This costed the Government about Rs. 5,000. But for this kind of assistance by the Government, it would not have been possible for the members to improve the land and to build their houses thereon in such a short time.

The land was divided into plots of 55ft. by 25 ft. and 42 such plots were allotted to 42 members at a nominal price of Rs. 495 in all. There is still nearly 18 grounds left which are not yet fit for occupation.

A meeting of members of the Queen Victoria Co-operative Society and other residents of the place was convened on 17-8-1932 at the Colony under the Presidentship of Hon'ble Mr. P. T. Rajan, Minister for Public Works. Addresses were read both in English and Tamil referring to the qualities of head and heart of Mr. Slater who in reply while thinking the members of the society and the residents of the locality for thus honouring him and naming the colony after his name, pointed out that the success of the scheme was due particularly to the efforts Rao Sahib V. Dharmalingam Pillai Avl., and they were also under an obligation of the Corporation of Madras for raising the level of the area.

With a vote of thanks to the Minister, the meeting terminated.

In a City like Madras, it is often felt by the members of co-operative societies that it will greatly convenience the members if loans are given on the security

of their jewels instead of on mere sureties. Co-operative Societies in an urban area are expected to accommodate small and middle class men in the same way as the Joint Stock Banks do for big men. There are a number of middle class men who have invested their small savings in jewels and the like and who wish to borrow from co-operative institutions without being obliged to another in turn. In surety ship loans, a man is obliged to another and in turn bound to stand as a surety for his surety. This course is permitted in most of the societies and is not beneficial either to the society or to the solvent member. Hence a need has arisen to protect the interests of societies and the middle class people by incorporating in model by-laws the Jewel loan business. It is very kind of the Deputy Registrar of Co-operative Societies, Chepauk, Madras to introduce a model by-law for jewel loans and accord his approval to the subsidiary by-laws governing Jewel loans in the Nungambakam Co-operative Credit Bank Ltd. The model by-laws and the subsidiary by-laws are published elsewhere in this issue for the information and guidance of other Co-operative Banks. It is absolutely necessary to have proper appraisers to value the jewels tendered as security. We trust that advantage will be taken of the new model by other banks as well.

We are extremely sorry to publish elsewhere in this issue the news of the demise of Mr. C. Nararayana Nair, Personal Assistant to the Registrar of Co-operative Societies. We offer our condolences and sympathy for the bereavement to the members of his family and friends.

Loss of a worker.

Jewel Loans.

News and Comments.

The English Co-operative Wholesale Society recently loaned the city of Stoke-on-Trent \$ 5,00,000. Wonder when our Manitoba Co-operators will be in a position to finance public bodies?

—(From the Manitoba Co-operator.)

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DEBT ADJUSTMENT.

Memorandum on debt adjustment embodying proposals adopted by the Manitoba Co-operative Conference at a meeting of the Conference held on April 1, 1932 and submitted to the Agricultural Committee of Manitoba Legislature.

Manitoba Co-operative conference is an incorporated body composed of the major co-operative organisations in Manitoba. It was formed for the purpose of promoting the co-operative movement in this province. The total membership of the constituent bodies exceeds 30,000. It will be obvious, therefore that these organisations are vitally affected by the prevailing economic conditions and in consequence, are profoundly interested in plans or suggestions for financial relief. The Committee has had put before it by the many previous witnesses an adequate picture of the economic condition of agriculture with which we are more intimately acquainted) and our experience is definitely in line with that picture. We would simply emphasise that the economic condition of the province of Manitoba is but a reflex of a world-wide condition and that in our opinion no action taken in Manitoba can reach the fundamental causes of the distress. At best all that can be done is to endeavour to adjust provincial conditions to conditions that are entirely beyond provincial control.

The co-operative conference is convinced that the most pressing problem faced by the province is that of debt, and the adjustment of debt we believe to be imperative as a matter of public policy. All debts represent to a varying degree capitalization of earning power and when earning power declines, not merely for the individual but for the community, from causes operating throughout the entire economic system, public welfare demands reciprocal adjustment directed towards the conservation of human values. Primary consideration should be given to the preservation of the home and adequate subsistence for the debtor and his dependents.

Recognizing that the future is obscure and that economic improvement is bound up with policies far removed from the province of Manitoba and indeed the Dominion of Canada, we believe that all adjustments should be made on the basis of the existing situation and without prejudice to a future review should earning capacity fall below the adjusted capitalization of the debts.

The adjustment of debts involves questions of a complicated legal and personal character, and we believe it more advisable to state the general principles upon which adjustments should be made, than to enter upon specific ways and means. The co-operative conference accordingly makes the following recommendations:—

1. That an authoritative body existing or to be created be empowered to review debt cases and make equitable adjustments.
2. That the basis of adjustment be the present earning capacity of the debtor, estimated either in terms of employment or the price of products.

3. That no eviction or foreclosure take place without the consent of the duly constituted adjusting authority.

4. That in all adjustments the first consideration be the preservation of the home and the provision of adequate subsistence for the debtor and his dependents.

Respectfully submitted on behalf of Manitoba Co-operative Conference.

F. H. Downing, president.

J. T. Hull, secretary.

F. W. Ransom.

CO-OPERATIVE GARAGES.

In a recent issue of the Motor (Brit.) a correspondent writes urging the formation of a motorists' co-operative society:

"Were such a co-operative society formed its attention could profitably be directed towards the supervision of garages and service stations so that motorists could be more or less assured of the proper attention; that is, work would be carried out efficiently and, above all, that he (the motorist) would not be, as often is the case, landed with heavy and unnecessary expenditure."

Here is another field in which co-operation may be made a guarantee against commercial exploitation.

(From Co-operation.)

(EDITOR:—In Madras there is a society to save Motorists from heavy and unnecessary expenses. But we regret to note that it has not worked on account of the combination of the Motor suppliers. We trust that owners of motors will take active interest in its working and develop it to their advantage overcoming the difficulties under which they are now placed.)

SOCIAL INSURANCE.

BY GRACE M. BURNHAM.

From birth to death, the well-being of the individual in the Soviet Union is the direct concern of the state. Parental clinics, leave of absence with full pay eight weeks before and eight weeks after childbirth, experienced physicians and nurses to care for mother and child, adequate hospital accommodations for all expectant mothers nurseries attached to industrial establishments where the mother can leave her infant during working hours, free medical and hospital care for the sick worker and any sick member of his family, rest homes for the convalescent clubs and vacation homes, annual vacations with pay, insurance against unemployment, accident, sickness, permanent disability, old age, and death are parts of this system.

(From Manitoba Co-operator.)

CURE FOR DEPRESSION.

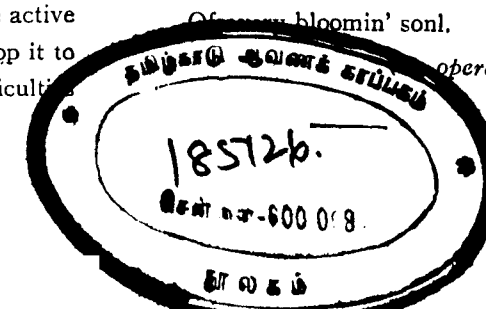
"We must economise, perforce,
We've got to do it, but
The other fellow's pay, of course,
Is the one that must be cut."

—Nixon Waterman, in the
National Magazine.

TEAM WORK.

It's not the store or management
Or the rebates they can pay,
It's the close co-operation
That makes them win the day.
It's not the individual
Or the members as a whole;
But the everlasting teamwork
Of every bloomin' soul.

(From Co-operation.)



A Review.

Good times.

The Co-operative Whole-sale Society, Manchester known with affectionate familiarity as the "C. W. S." is carrying on co-operative propaganda campaign in various ways. It has published a propaganda News Sheet entitled "Good Times". It is a very small leaflet with various articles designed to spread co-operative propaganda among the masses.

'A word to thinking men and women' gives in a vivid manner how we are living in strange times and how everything is topsy-turvy, the chief cause being selfishness. It makes people to think of means other than those already adopted and suggests that co-operative movement has but one great aim and that is to bring 'Good times' to all, and that there is no room for despair, where the co operative spirit rules.

The second article "British Brains and British enterprise" follows up the suggestions thrown out in the first article and shows by example that how on "one of those damp, dark, dense, dismal, disagreeable days that a few poor weavers out of employ. and nearly out of food, and quite out of heart with the social state met together to discover what they could do to better their industrial condition." The outcome was the opening of a very modest

Co-operative Store in Toad Lane, Rochdale, on December 21st, 1844. The humble venture of the twenty eight Rochdale Pioneers proved a blessing to millions of homes in the world. The store began on £ 28 all told and the yearly sales now amount to £ 200,000,000. How £ 28 became £ 200,000,000, is a romance in itself. All the co-operative stores are joined together in a great federal organisation which provides all the needs of co-operators from cradle to the grave. It sails the seas, it tills the land, it digs into the bowels of the earth, it runs its own factories, it has its own workshops—all so that the best of everything can be given direct from the producer to the consumer. This kind of achievement enables the organisation to employ many thousands of workers who leave their work at the end of the day with a smile of contentment.

"The golden key to freedom" it is pointed out "is in every one's hand. Every penny spent on co-operative goods helps to purchase one's own economic freedom." It is rightly pointed out that co-operators are solving problems of our times while others are talking about them. We wish every success to the campaign inaugurated by the Co-operative Wholesale Society and wish it good times.

Our task is to conserve the interests of co-operators, to maintain the co-operative line unbroken, to make certain that not one of our harassed societies shall become a wreck. The Co-operative Official.

In public affairs cunning, let it be ever so well wrought, will not conduct a man honourably through life. Like bad money, it may be current for a time, but it will soon be cried down.

(Junius).

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

RECEIPTS AND DISBURSEMENTS FOR THE MONTHS OF JUNE & JULY 1932.

		<i>Receipts.</i>					
Head of Account.		For June 1932.			For July 1932.		
		RS. A. P.			RS. A. P.		
Share capital (societies) ...	...	...	1,044	0 0	...	630	0 0
Current deposits—societies	...	...	99,925	0 4	...	77,382	11 2
Do. Individuals	...	...	44,680	11 0	...	35,369	0 0
Reserve Fund deposits—societies	...	...	...	...	...	787	9 4
		by cash	4,003	0 4			
Do. interest adjusted	...	12,766	1 0		16,769	1 4	
Desertion fund—cash received	...	2,240	5 0				
Do. interest adjusted...	...	311	4 0				
				2,551	9 0		
Fixed Deposits—Societies	...	...	17,700	0 0			
Do. Individuals	...	...	4,850	0 0	...	5,050	0 0
Recurring deposits	...	...	355	0 0	...	420	0 0
Savings deposits—Individuals	...	...	871	1 0	...	1,844	1 11
Do. Societies	...	...	2	7 0			
Provident Fund	...	...	154	5 0	...	71	10 0
Call deposits—recalled	...	...	3,25,000	0 0	...	1,00,000	0 0
Suspense	...	...	8,679	13 8			
Do. adjustment of G. P. Notes	...	...	...	...	...	55,628	14 0
Loans to societies—Long-term	...	...	16,131	0 0	...	31,387	0 0
„ —Short-term	...	...	10,623	0 0	...	12,061	0 0
Overdraft loans repaid by societies	...	...	1,39,507	10 2	...	1,27,522	11 7
Loans repaid by Individuals	...	...	356	0 0	...	45	0 0
Interest received on loans	...	...	1,456	2 4	...	150	14 0
Interest received on investments	...	...	1,302	15 10	...	185	2 9
Entrance fees	...	...	11	0 0	...	4	0 0
Interest received on loans from individuals	...	...	201	1 4	...	1	4 0
Commission on cheques	...	...	2	12 0	...	22	13 9
Fines—(penal interest on Recurring deposits)	...	...	0	9 0	...	0	7 8
Loan application forms sold	...	...	0	7 6	...	0	8 0
Rent for May and June	...	...	100	0 0			
Electric charges collected from Insurance Society.			7	2 0		7	0 0

Receipts.—Contd.

Head of Account.	For June 1932.	For July 1932.
	Rs. A. P.	Rs. A. P.
Furniture—depreciation adj. on ...	141 15 9	
Petty cash—adj. for whole year ...	261 0 0	
Bills account ...	12,021 10 5	27,350 2 4
Mis. Revenue ...	0 0 3	
Subvention recd. from Pr. Co-op. Bk. for I & II Qr.	704 0 0	
Do. III ...		360 0 0
G. P. Notes—Sale of 4% bonds ...	38,468 12 0	
Profit on do. ...	3,812 8 0	
Overdraft loans—Individuals ...		2,125 4 5
Withdrawals from current account in :—		
1. Indian Bank, Ltd. ...	50,138 4 9	39,359 11 9
2. Imperial Bank of India, H.O. ...	3,38,060 5 4	70,170 2 0
3. Do. Mount Road Branch ...	8,800 0 0	10 6 11
4. C. C. C. Bank Ltd., ...	7,767 2 5	40,166 12 3
5. Bombay Pro. Co-op. Bank ...	1,500 0 0	
6. Salem Dt. Urban Bank ...	1,927 11 0	
7. Krishna Dt. Co-op. Bank ...	3,300 1 0	
8. Bengal Prov. Co-op. Bank ...		285 8 0
9. Madras Pro. Co-op. Bank A/c. No. 2 ...		11,500 0 0
10. Do. A/c. No. 3 ...	2,81,084 2 10	2,30,000 0 0
Opening Balance...	450 2 0	16 3 11
Total ...	14,40,720 8 3	8,69,915 15 9

Disbursements.

Current deposits—Societies ...	98,178 1 10	77,018 14 10
Do. —Individuals ...	43,817 4 3	30,862 5 5
Reserve Fund Deposits—Interest paid ...		5,180 12 0
Fixed deposits—Societies ...	9,100 0 0	20,000 0 0
Do. —Individuals ...	6,800 0 0	900 0 0
Recurring deposits ...	25 0 0	75 0 0
Savings deposits—Individuals ...	1,317 10 7	1,344 8 5
Suspense—Adjustment of Individual deposits to I. B. I. ...		16,589 10 0
Call deposits—Invested ...	2,75,000 0 0	

Disbursements—cont.

Head of Accounts.	For June 1932.	For July 1932.
	Rs. A. P.	Rs. A. P.
Suspense ...	8,515 9 0	
Suspense—Value of G. P. Notes sold ...	39,020 13 0	
	47,536 6 0	
Loans—Long term—Disbursed to Societies ...	35,115 0 0	15,400 0 0
Do. —Short term— Do. ...	21,318 0 0	9,029 0 0
Overdraft Loans to societies ...	1,25,354 0 8	1,43,095 15 0
Rent ...	200 0 0	200 0 0
Electric charges ...	17 11 0	17 6 0
Telephone charges ...	21 12 0	21 7 0
Establishment ...	730 7 0	729 2 0
Mis. contingencies No. I ...	129 10 3	20 6 0
Do. No. II ...	17 0 0	
Do. Premium paid on Cashier's fidelity ...		37 8 0
Stationery ...	6 8 0	10 0 0
Postage—Adj. from Petty cash for whole year ..	141 5 3	
Furniture—Filter ...		32 8 0
Depreciation on furnitures ...	141 15 9	
Petty Cash ...	16 0 0	10 0 0
Books and forms—Adj. from Petty cash ...	2 4 0	4 12 0
Interest paid to societies—Adjustment on—		
Savings deposits ...	2 7 0	
Reserve fund ...	12,766 1 0	
Desertion fund ...	311 4 0	
Current deposits ...	848 8 0	
Cash ...	102 6 0	
	14,030 10 0	
Interest paid to societies ...		710 0 0
Do. Individuals ...		324 12 0
Development Scheme ...	30 0 0	16 0 0
Advertisement charges—paid to Swarajya ...	8 5 4	
Do. —(Justice and Swarajya) ...		25 0 0
Interest paid to Individuals adjustment on—		
Savings deposits ...	127 6 0	
Current deposits ...	146 8 0	
Prov. Dep. of Employees ...	82 11 0	
Cash ...	266 7 0	
	623 0 0	
Overdraft loans—Individuals ...		2,123 1 7
Bills account ...	11,773 8 5	27,598 4 4

statement shows the extent of shrinkage in each of your central banks during the last three co-operative years —

Name of Bank.	Working capital on 30th June.	Loans disbursed during the year.	Loans outstanding at the end of the year.
<i>1929-30.</i>			
	LAKHS.	LAKHS.	LAKHS.
Cocoanada ...	9'48	5'40	8'02
Ramachandrapuram ...	19'44	13'41	18'43
Amalapuram ...	19'63	10'46	18'27
Rajahmundry ...	2'87	1'24	2'24
<i>1930-31.</i>			
Cocoanada ...	9'28	2'20	7'88
Ramachandrapuram ...	16'02	7'12	15'15
Amalapuram ...	17'06	4'67	15'73
Rajahmundry ...	3'04	0'39	1'91
<i>1931-32 (up to 31st May 1932.)</i>			
Cocoanada ...	8'53	1'55	7'88
Ramachandrapuram ...	11'32	1'85	10'75
Amalapuram ...	15'27	4'09	14'65
Rajahmundry ...	2'90	0'38	1'72

This process, in my opinion, will persist for sometime to come. I am by no means confident that the business of your central banks will automatically mount up, with the cessation of the economic depression, to its former size, that is, to that in the year 1929-30, which was the peak year. The depression has unmistakably brought out two facts, namely, that some of your primary societies should not have been started and that some have borrowed in the past more than they could repay. Of the 575 societies which came under audit classification, a fourth of the number are totally dormant, about half the rest fall under D class, and in one half of the total number of societies the collections to demand are below 40 per cent. So, a fairly large number of your existing societies are obviously incapable of absorbing much fresh credit in the near future even if the depression ceases and prices show an upward tendency. There was something fundamentally wrong with the original organisation of some of the societies. Although I am a believer in the expansion of the movement, I am unable to subscribe to the view that a co-operative society can be successfully planted in every village. There are co-operative deserts and co-operative rocks where co-operative seed does not either germinate, or if it does, the sprout will soon die. Again where atmosphere and environment are uncongenial to co-operation, no amount

of artificial nurturing will impart life and vigour to the societies. So early as 1906, Sir P. Rajagopalachariar, our first Registrar, set the right standard, when he laid emphasis on sound organisation as a condition precedent for the healthy growth of movement. But with the advent of Montford Reforms the development of the movement passed into the hands of "Indian Administrators" who decried "the craze for *quality*" as an old fad and avowed their faith in "numbers". There was furious expansion. It may not have been on a "five year plan" but may have been on a succession of "three year plans" synchronising with the span of ministerial life. Any way, I have no doubt that much of our trouble is traceable to that ill-conceived and badly executed plan. So you must be prepared to wind up at least a third of the number of your societies, which have no real vitality in them, and I hope that when really bad societies are liquidated by the department, there will be no opposition to it on grounds of sentiment or prejudice or tenderness to vested interests.

RECTIFICATION.

The further decay of another third which will soon end in their extinction can be arrested only by a vigorous programme of rectification and consolidation, which must be carried out in a more organised manner than is now being done. In connection with this programme, I desire to offer a few suggestions. In the first place, it is not unbusinesslike or unco-operative to place on a new basis overdue loans which are sound from the point of view of the security behind them, but which cannot be now collected. To take fresh bonds backed by adequate securities in respect of such loans, fixing the fresh period with due regard to the repaying capacity of debtors, is not a book adjustment. It is a genuine co-operative transaction. If this process is tried with due care and caution, I believe that an appreciable number of borrowers can be helped to improve their economic position. In the next place, in areas served by land mortgage banks, a systematic attempt should be made to select all cases of debtors to rural societies who can offer adequate security and who can repay their debts, if long terms ranging from 10 to 20 years are allowed to them for repayment and to transfer such borrowers to the land mortgage banks. I believe the Provincial Co-operative Bank has already expressed its willingness to render to the Central Banks such financial help as may be incidental to such a programme. I also desire to suggest to the Provincial Bank to employ special inspectors in at least two areas in the north and two in the south, served by land mortgage banks, to select and report on cases which can advantageously be transferred to the land mortgage banks. In the case of new land mortgage banks which may be started, this machinery may be set up simultaneously with the starting of the banks. The experiment is worth making and the results may furnish us with useful lessons. I would recommend to the Provincial Bank to bear the cost of these four inspectors for a year. I further desire to urge on the central banks the danger of stopping all further credit to societies simply because the overdues are heavy. Good societies and good and punctual members even

Disbursements - (contd.)

Head of Accounts.	For June 1932. Rs. A. P.	For July 1932. Rs. A. P.
G.P. Notes—Purchase price of 5½% ... 49,000 0 0		e
Do. Profit on sale of ... 3,812 8 0		f
	52,812 8 0	
Interest paid on overdrafts ...	386 12 0	
Debentures of Central Land Mortgage Bank ...	25,000 0 0	
Remittances to current account in :—		
1. Indian Bank Ltd. ...	43,926 3 9	57,380 6 2
2. Imperial Bank of India, H. O. ...	3,37,619 4 5	78,486 5 0
3. Do. Mount Road Br. ...	6,418 13 0	1,351 3 0
4. C. C. C. Bank Ltd. ...	5,046 8 10	1,41,851 15 10
5. Bengal Provincial Co-operative Bk. Ltd. ...	40 0 0	184 6 0
6. Bombay Provincial Co-operative Bk. Ltd. ...	127 0 0	582 12 0
7. Salem District Urban Bank ...	2,221 2 1	700 0 0
8. Kistna Dt. Co-operative Bank Ltd. ...	13 12 0	
9. Mad. Pro. Co-op. Bank, T. Br. Act No. 1. ...	3 12 0	11,500 0 0
10. Do. Do. " 2. ...	2 8 0	
11. Do. Do. " 3. ...	2,75,634 3 11	2,26,156 1 11
Closing Balance ...	16 3 11	346 9 3
Total ...	14,40,720 8 3	8,69,915 15 9

G. SRIRAM BABU NAIDU,
Secretary.

THE EIGHTH EAST GODAVARI DISTRICT CO-OPERATIVE CONFERENCE.

Rajahmundry, held on 10th July 1932.

PRESIDENTIAL ADDRESS

By

V. RAMADAS PANTULU

BROTHER CO-OPERATORS AND FRIENDS :

There can be no greater satisfaction to a worker in any cause than that derived from his choice to positions of trust and responsibility by his co-workers. It is indeed an honour and a privilege for a co-operator to be invited to preside over a conference of fellow co-operators. The position of the president of a co-operative conference, at the present time, is however not an enviable one. It falls to his lot to dwell more on the failings of the movement than on its successes. It becomes his distressing task to address comrades, many of whom are depressed and whose enthusiasm for service and sacrifice in the cause is waning. It places him in the unfortunate predicament of owning up that the rural population, for whose social benefit and economic betterment the movement is mainly intended, have not only largely failed to profit by it but sometimes misused it to the disadvantage of themselves and others. It makes him despair of the utility of ventilating his views on any matter, for there is a controversy over every conceivable remedial measure, resulting in the arrest of attempts to carry out constructive programmes of rectification. Finally, it involves him in the new danger of bringing him into conflict with those who, having suddenly lost all faith in Indian non-official humanity, are making frantic appeals to the Government to assume complete control over the entire movement. But so long as that catastrophe does not actually overtake the movement and there are at least a handful of co-operators who believe that the revivification of the movement and its real salvation lie in greater and more genuine non-official enterprise and initiative and not in making it over to the Government, there will be scope for such conferences as yours and hope for men like me. It is by force of this conviction that I have accepted your generous invitation with genuine pleasure.

SHRINKAGE OF BUSINESS.

The operations of the central banks in your district, as well as elsewhere in the province, have undergone considerable shrinkage. The following

ஜாக்கிரதை!!! போலி சரக்குகள். ஜாக்கிரதை!!!

அமிர்தாஞ்சனம்
எல்லா நோவுகளுக்கும் தவ்யாமிர்தம்

சென்னை ராஜாஜிதிரும், வாழ்க்கை நோல் எண்ணு :—
விநாயக அண்டு கம்பெனி, வியாபாரிகள், 6, பந்தர் தெரு, மதராஸ்

in indifferent societies should be financed, of course cautiously. Similarly, starting of new societies in good villages must not be neglected. Otherwise there will be stagnation in the movement which must be avoided in this crisis.

SUPERVISION AND THE CENTRAL BANKS.

There are one or two problems which are still a source of considerable anxiety to the movement. You have recently solved one which gave you much trouble, namely, the problem of the District Federation. I congratulate the co-operators of East Godavari on the courage and wisdom they have shown in the matter. I am not and never was an opponent of federations as such. But where local conditions have unmistakably shown that the central bank and the federation were unable to work in harmony and the new institution has proved more a hindrance than a help to the movement in the locality, I had no hesitation in advocating the abolition of the federation or its amalgamation with the administrative section of the Bank. I have watched the disappearance of federation after federation during the last three years. In no case was it the result of any preconceived policy, official or non-official, as is sought to be made out in some quarters. It was in every case simply a local problem and local conditions made the winding up of the federation inevitable. Those who seek to fix the responsibility for the extinguishment of federations on the central banks speak without their book. It may be that here and there a central bank acting in sheer self-defence dealt a fatal blow to a federation, when the latter was the aggressor in the fight. In the majority of the cases, the opposition to the federation came from the unions themselves of which the federation was composed. A house divided against itself could not obviously stand. In some cases, the federations committed suicide being tired of their weary lives which were a burden on the movement in the locality. There are still some localities where an enormous waste of human energy and good money is going on by reduplication of work and want of co-operation between the central bank and the federation. In those areas also there should be no hesitation in winding up the federations.

What we are more immediately concerned with, however, is the attitude of the federationists towards the central banks, for the real danger from that quarter comes not from the federationists' affection to the departed ones but from their disaffection for the central banks. Very recently there has been a recrudescence in a somewhat virulent form of the dangerous slogan of wholesale divorce of supervision from finance, which has shown signs of abatement for sometime past. I consider that it is unwise and inexpedient to place any obstacles in the way of central banks safeguarding their financial interests by supervision and inspection of their constituent societies and by effecting the collection of their dues. In view of the history of the development of the central banks in this province and also elsewhere in India, I have no doubt that besides acting as agencies to attract co-operative capital, they were also expected to actively supervise societies and to watch if their loans were safe. I have no doubt that an investigation into the

development of the movement in the province would disclose that the theory which prevailed during the evolution of the central banks was that the existence of a community of financial interests between the supervising agency and the supervised bodies was essential. The central banks are in reality federations of societies for financial purposes and the creditor bank and the debtor society do not stand in the relation of defaulter and critic; they are organisations whose interests are indissolubly bound up as those of men moved to a common purpose and fellow pilgrims in search of a common end. I cannot help stating that those who are trying to discover conflict of interests between the societies and the central banks, to emphasise on it and to interpose other bodies between them, are doing the greatest disservice to the movement. If it is their view that the central bank is in reality nothing more than an intermediary for attracting money from depositors and passing it on to the societies and that the depositors must look to others to watch the societies and collect the dues, then let them put up a placard to that effect on each central bank. Let us watch and see how many people will put their moneys in these banks if they advertise, "Give us the deposits but look to the federation or the union for their return on maturity."

There seems to be an extremely crude idea in certain quarters that the co-operative banks should follow methods of business other than those of the commercial banks. It is a half truth. The co-operative principles have a bearing on the productive employment of their capital by the co-operative banks and *not* on the methods of raising that capital and banking their resources. The obligation of co-operative banks to punctually meet their demand and time liabilities, their responsibility to maintain adequate fluid resources to meet those obligations and their duty to satisfy the credit requirements of their customers promptly and adequately are precisely the same as those of joint stock banks. He must be a bold man who says that those obligations can be duly discharged if the central banks have to depend upon the federations and unions virtually for everything except lending out the money. The framers of the Reserve Bank Bill and the Indian Central Banking Enquiry Committee were at one in making the co-operative banks an integral part of the banking system of the country and linking them up with the Reserve Bank on the basis of normal banking conceptions. I am therefore unable to understand the ideas of those who seek to assign to the co-operative banks some place outside the banking system of the country. It is therefore necessary to disillusionise them and secure for the co-operative banking organisations an unassailable position in the banking system. We must firmly resist all attempts to displace central banks from their legitimate place in the movement or to create an antagonism between them and their member societies.

In your district, supervision has now virtually devolved on the central banks. Since the abolition of the federation, the appointment and control over the supervisors have been rightly assumed by the central banks. Nevertheless, I do not think that conditions are quite satisfactory. In your district, there are four central banks with 15 directors in each, that is, 60 central bank-

directors in all. Nevertheless, the supervision of the societies cannot be said to be efficient. I have often heard it said that there is too much of "personal rule" in East Godavari Co-operation. It is inevitable with so many men clothed with directoral powers going about. A little more of system and less of personal rule are wanted. I have a couple of suggestions to make for your consideration. I feel that whatever may have been the position two or three years ago, the time has come to reconsider the question whether your district really wants four banks. From the figures given by me in the opening paragraphs you find that only one bank has anything like a business of over ten lakhs. These small banks are a source of weakness to the movement. So, I am of opinion that the number of your central banks may with benefit to the movement be reduced to two. You may redivide the banking area of the district into two in a suitable manner.

As for unions, Rajahmundry with a business of 2 lakhs has one union, Cooanada four, Ramachandrapuram five and Amalapuram seven. There are seven times 17, that is, 119 union directors going about. In course of time, you will find it difficult to maintain these unions, as the contributions to supervision fund from the societies and central banks decline. The constitution of the unions themselves may, therefore, be overhauled radically. I shall suggest a simple plan, which will promote economy and efficiency. The number of unions and their areas of operation may be readjusted, so as to comprise a suitable number of societies. Each union area may be called a circle. The societies in each circle, instead of electing seven governing body members, shall elect only one director who will represent them on the management of the bank and be also in charge of the circle office. The governing bodies, in my opinion, are mere superfluities and do not conduce to efficiency or intensity of supervision. They may be done away with when unions are run as circle offices. The idea that union directors will themselves supervise the societies and therefore discharge a useful co-operative function, has not materialised. I am alive to the need for scope of honorary services. But in the case of union directors, the balance of advantage lies in their number being reduced. The supervisors and the indoor staff in the circle may well work under the control of the director in charge of the circle. It will effect a considerable saving in the working expenses of your unions.

I have merely thrown out these suggestions in order to set you thinking about the question. The solutions offered by me may not be the correct ones. If so, evolve your own solutions by all means. But something must be done, and done promptly, to place supervision in your district on a satisfactory footing.

AUDIT.

The question of audit has been much before the public mind of late. I am a firm advocate of non-official audit of central and urban banks being immediately set up. This does not of course involve the withdrawal of official control from audit as is apprehended by some. The central and urban banks require thorough and efficient concurrent audit, which they do

not now get from the Government audit staff, except where a special man is given to a bank at its cost. Internal check and interim audit which they now get do not constitute concurrent audit proper. Concurrent audit can no longer be neglected without serious consequences to the movement. If the central and urban banks do not realise their responsibility in the matter, I hope the Provincial Bank, the Local Bodies and the investing Public who put their moneys in them will do all they can to rouse them to a sense of their duty and make the further continuance of their custom dependent on effective arrangements being made for the concurrent audit of those banks. Less than justice is done to the common sense or business capacity of those who invest with co-operative banks, when it is proclaimed that they put their savings in those banks simply by reason of their implicit faith in Government audit. I know something of the general level of the intelligence of these investors and their habits. They are not so credulous and simple minded as the advocates of Government audit seem to make out. If they really are so, it is up to us co-operators to disabuse their minds and tell them the true position regarding the nature, scope and efficiency of the existing audit and to educate them to insist on the central and urban banks providing for their concurrent audit on sound lines in order to be trusted in future with their savings. Otherwise we will be false to ourselves and to the investing public.

Even if the forces of obscurantism and reaction succeed and Government takes the deplorably unwise step of forcing official audit on central and urban banks, which are purely business institutions and in regard to which Government assumes no financial responsibility whatever, I appeal to the central and urban banks to leave the final audit to Government staff and arrange for their own concurrent audit by competent auditors even at some financial sacrifice. Otherwise the financial safety of the movement will be in serious jeopardy. If the central and urban banks in your district agree with my view, we can at once set the example by non-officialising audit in your district. We can show by practical work that not only the movement will not suffer, but that audit will improve considerably. I appeal to all my brother co-operators, who have any faith in non-official initiative and enterprise still left in them, to stand firm to their ideals and not to succumb to those who sedulously preach non-official unfitness to manage the co-operative institutions and constantly send up S. O. S. to the ministerial regions. Profession of a remote faith in the ultimate goal of non-officialisation is absolutely devoid of meaning, coming as it does from those, who after twenty-eight years of endeavour proclaim from housetops non-official unfitness to look after their own institutions and who seek to throw the responsibility off their own shoulders when asked by the Government to shoulder it.

NO CAUSE FOR DEMORALISATION SELF-HELP AND SELF-RELIANCE—TRUE REMEDY.

It is the present deterioration of the movement that partly accounts for a certain amount of demoralisation among its ranks and the leaders. It has

gone to such an extent that when a central bank wants a paid hand to run its office, it now runs to Government for services of an officer, as if no one can be found outside official ranks to manage a small banking institution, while the boast of Indians is that they can find men for every position of trust and responsibility under the sun. It is true that many of our societies have ceased to work and that many more are rapidly decaying. It is also a fact that the bulk of our assets are frozen. It is again patent that there has been considerable contraction of credit to the rural co-operators. Even on the moral side, there have been regrettable lapses in the form of benami loans and embezzlements. I am therefore painfully conscious that the scope for service through the movement has thus become greatly circumscribed and will become even more circumscribed in the immediate future, by a deplorable decrease in the numbers of those who are eligible for the benefits of the movement. But these factors do not justify our demoralisation. While our weak points naturally come in for the public comment, cases where the movement really benefitted people, which are very large, are not similarly advertised. My faith in the potentiality of the movement remains unshaken in spite of its present weak condition.

I have tried to ascertain the general position of the movement as a whole in this province. The statement appended to this address shows the volume of shrinkage of business in central banks. Shrinkage in business is not a peculiar feature of co-operative banks alone. It is a feature of all types of banks in all countries now. But the shrinkage in the loan outstandings show that much money has been collected even in the years of depression. Creditors and depositors have been paid up to that extent. No depositor was disappointed by any co-operative bank yet. The proportion of owned capital to borrowed capital in the movement is 25:3. Reserve Funds are growing and stand to day at Rs. 1,22,00,000. In addition to it, special funds are being built up to provide for bad debts. It is thus evident that risks are amply covered. Officials and non-officials are co-operating to speed up recoveries and to tide over the crisis as well as they could. I am convinced that we can expand and build upon what still remains sound, a stable co-operative organisation, with better and more sustained endeavours, unless we lose faith in ourselves and abandon the cardinal virtues of the movement—**Self-help and Self-reliance**. I am content to work and to appeal to you to continue to work in the spirit of Wordsworth's inspiring ideal:

"We will grieve not, rather find
Strength in what remains behind;
In the soothing thoughts that spring
Out of human suffering,
In the years that bring the philosophic mind."