

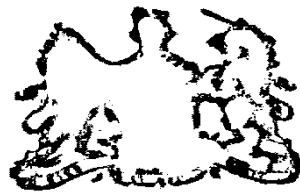
PROCEEDINGS

OF THE

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BOMBAY PROVINCIAL CO-OPERATIVE CONFERENCE, 1922.

HELD IN BOMBAY.



DECEMBER 10th, 11th and 12th, 1922.

Price Rupee One.

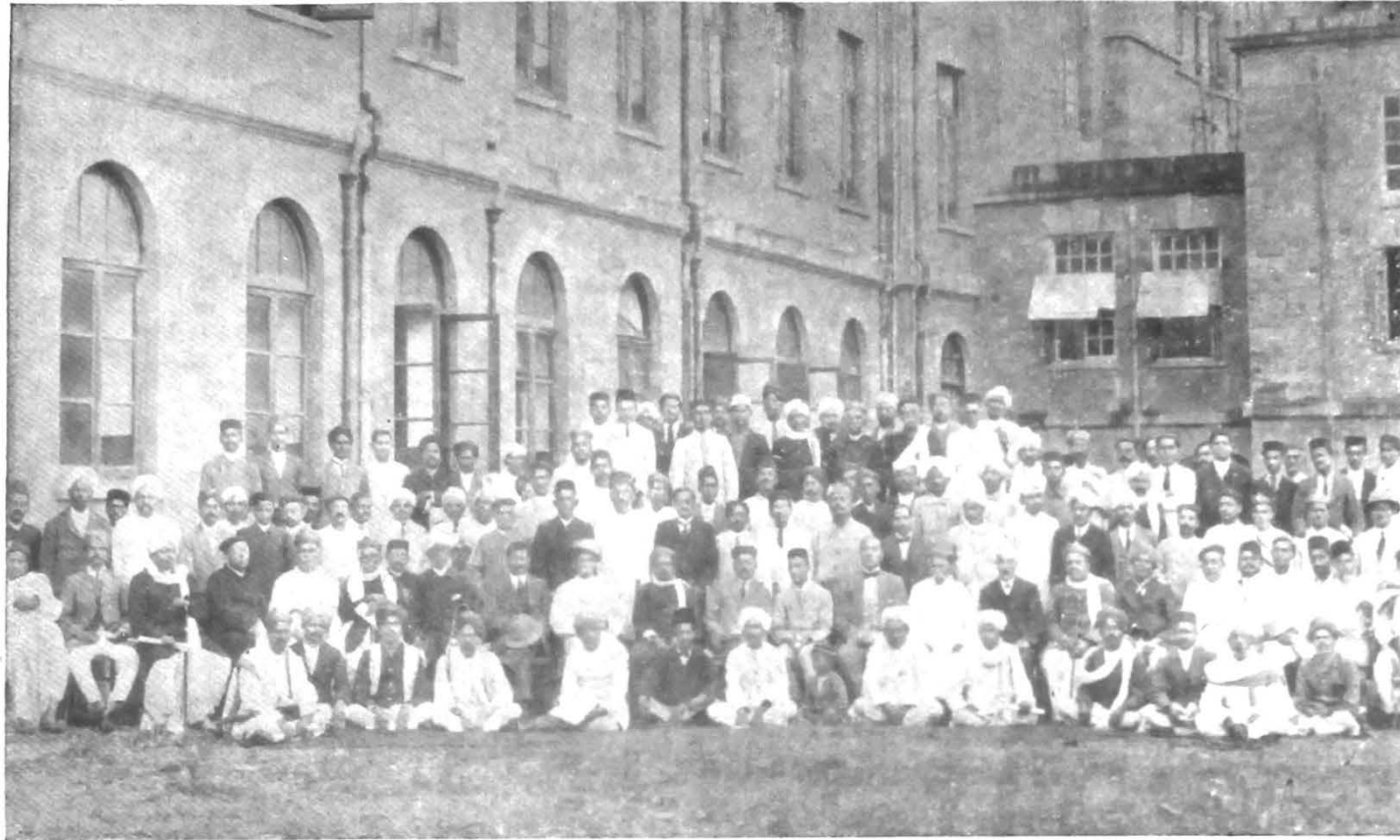
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1923.

Bombay Provincial Co-operative Conference, 1922.



Group of Delegates.

Bombay Provincial Co-operative Conference, 1922.



Group of Delegates.

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PROVINCIAL CO-OPERATIVE CONFERENCE, 1922.

Introductory Note.

This was the first Provincial Co-operative Conference held in the City of Bombay under the auspices of the Bombay Central Co-operative Institute. The work of election of delegates was carried on by the Branches of the Institute, that in the previous years being done by the Assistant Registrars concerned of the different divisions.

The Conference was held in the Sir Cowasji Jehangir Hall on 10th, 11th and 12th December 1923 as previously fixed; and the Hon'ble Mr. Chunilal V. Mehta, M. A., LL. B., presided. The attendance was satisfactory. About 200 delegates representing all interests and as many visitors attended the Conference. The procedure that was followed in the previous year in the selection of subjects was also followed this year.

On the first day, after the addresses of the Vice-President of the Institute and of the President of the Conference were delivered, a report of the action taken on the resolutions of the previous year's Conference was presented by the Registrar and the Honorary Secretary of the Institute. Six Sub-Committees sat thereafter to consider the subjects placed before the Conference in the light of the notes received thereon. The draft resolutions framed by these Committees (see page 35 of the Report) were considered by the Conference on the second day and part of the third. The final resolutions adopted by the Conference are printed as appendix II of this Report.

Besides the usual programme (see page 10) a supplementary programme was also prepared. (See page 11). Brief notes regarding the items of work in the latter are printed as Appendices IV to X of this report.

The most important function held during the Conference was the Co-operative Products Exhibition organised by the Institute. Societies in all the Provinces in India and those in the States were also invited to take part in it. But on account of short notice only a few joined it. Thanks are due to the Weavers' Guild at Sholapur and to Sir Fazulbhoj Currimbhoj Kt. for the financial aid given to the Institute in support of the undertaking; the former contributed Rs. 3000 and the latter Rs. 1000. The Institute is obliged to the Registrar for having secured these contributions. The exhibits were more than 3,000 in number and exceeded Rs. 25,000 in value. They came from about 100 societies, chiefly from the Bombay Presidency, H. E. H. the Nizam's Dominions, the Punjab and Mysore, only a small number being received from Madras and the United Provinces. About 2000 persons visited the Exhibition. Nearly 50% of the value of the goods were realised by sale. A brief report of the Exhibition is given as Appendix XIII.

On the 2nd day of the Conference the Hon'ble Mr. Lalubhai Samaldas was At Home to the delegates of the Conference at the Servants of India Society's Home, for which the Institute is highly obliged to him.

On the day following the close of the Conference a Meeting or Conference of the representatives of the District Central Banks organised by the Provincial

Co-operative Bank was held under the Chairmanship of the Hon'ble Mr. Lalubhai Samaldas, C. I. E. The proceedings of the meeting are printed as Appendix XII. It is expected that such meetings will in future form a part of the Conference programme.

The Institute is highly obliged to the Registrar and to the staff of his Department placed at the disposal of the Institute during the Conference week, especially to his Personal Assistant, Rao Saheb G. H. Desai, for the indefatigable service rendered to make the Conference and the Exhibition very successful. Thanks are also due to the various gentlemen, who helped the Institute in organising the Exhibition, and a number of volunteers who did good work.

BOMBAY, *February 1923.*

S. S. TALMAKI,

Hon. Secretary.

**LIST OF DELEGATES AND VISITORS OF THE BOMBAY PROVINCIAL
CO-OPERATIVE CONFERENCE, 1922.**

President.

The Hon'ble Mr. C. V. Mehta, M. A., LL. B., Minister to the Government of Bombay.

Vice-President.

Mr. G. K. Devadhar, M. A.

Visitors (by invitation.)

Shrimant Shambhusing Raje Malegaonkar.
Mr. B. W. Kissan, I. C. S., Collector of Bombay.
Mr. A. O. Kureshi, I. C. S., Collector of Dhulia.
Dr. H. H. Mann, D. Sc., Director of Agriculture, Bombay Presidency.
Mr. Jamnadas Dwarkadas, M. L. A.
Mr. Sevaklal D. Parekh, B. A., Registrar, Co-operative Societies, Baroda.
Mr. J. A. Madan, I. C. S.
Mr. V. H. Nayak, M. A. (Cantab) Bar-at-Law.
Mr. K. B. Bhadrapur, M. A.
Mr. Kamji Deoshi, Registrar of Co-operative Societies, Bhavnagar.
Mr. A. B. Modak.
Miss C. B. Poovaiah, B. A.
Dr. Miss N. M. Joshi.
Mrs. Ramabai Ranade.
Mrs. Anapurnabai Deodhar.
Dr. Saibai Ranade.
Mrs. Kamalabai Karmarkar.
Mrs. Kamalabai L. Pradhan.
Mr. K. Bulchand, B. A., Director of Educational Kinematograph, Hyderabad (Sind.)
Mr. V. S. Toro, B. A., Dy. Educational Inspector, Visual Instruction, Bombay.

**MEMBERS AND SECRETARIES OF THE PROVINCIAL CO-OPERATIVE
CONFERENCE COMMITTEE.**

Mr. G. K. Deodhar, M. A., Vice-President.
Rao Bahadur S. S. Talmaki, B. A., LL. B., Hon. Secretary.
Mr. V. L. Mehta, B. A., Member of the Standing Committee.
The Director of Agriculture, Bombay Presidency.
The Director of Industries, Bombay Presidency.
The Director of Public Instruction, Bombay Presidency.
The Registrar of Co-operative Societies, Bombay Presidency.
Mr. L. S. Potnis, B. A., Asstt. Registrar, C. S. Bombay.
Mr. P. V. Jadhav, M. A., LL. B., M. L. C., Honorary Organizer C. S. Satara.
Mr. Chhotalal Dwarkadas Patel, Dist. Honorary Organiser, C. S. Traj.
Mr. D. L. Umarwadia, Auditor, C. S. Surat.
Mr. T. T. Mudraddi, Honorary Organiser, C. S. Hebsur.
Mr. B. F. Madon, Director, Bombay Central Co-operative Bank, Bombay.
Mr. A. H. Byrt, Assistant Editor, Times of India & Director of Bombay Central
Co-operative Bank, Bombay.
Mr. M. E. Joshi, Secretary, Parsi Housing Association, Bombay.

Mr. F. T. Nalavadi, President, Karnatak Branch, Dharwar.

Rao Saheb Lingangowda Patil, Hulkoti.

Mr. Pranwallabh H. Banatwalla, Guzerat Branch of the Institute.

Mr. V. C. Jadhav, Kanpith, Surat.

Prof. H. L. Kaji, M. A., B. Sc., I. E. S., President of the Bombay Branch of the Institute.

Mr. G. N. Sahasrabuddhe, B. A., Bombay Branch of the Institute.

Mr. Y. R. Muzumdar B. A., LL. B., Joint Secretary of Bombay Central Co-operative Institute.

Mr. C. S. Deole, B. A.

Mr. R. N. Mehta, B. A.

**DELEGATES OF
THE BOMBAY CENTRAL CO-OPERATIVE INSTITUTE.**

By The Institute.

1. Mr. S. N. Karnad, B. A., LL. B.
2. Principal M. L. Tannan.
3. Prof. R. M. Joshi, M. A., LL. B.
4. Prof. C. A. Buch, M. A.
5. Prof. G. M. Antia, M. A.
6. Mr. P. K. Jambekar.
7. „ N. M. Joshi, B. A., M. L. A.
8. „ Kanji Dwarkadas.
9. „ Mavji Govindjisheth.
10. „ J. K. Mehta.

Bombay Branch.

1. Mr. J. C. Nananvati, B. Com.
2. „ K. N. R. Ranina.
3. „ M. J. S. Khras, F. S. S.
4. „ A. R. V. Ranjit.

Konkan Branch.

1. Mr. Keshavlal Bababhai, B. Ag.
2. „ Trimbak Dinkar Wellankar.

Sind Branch.

1. Mr. Jethamal Parsram.
2. „ Mirza Farukhbeg, Bar-at-Law.

Gujarat Branch.

1. Mr. Gulabchand Ukhabhai Gandhi.
2. „ Kalidas Damodardas Khadia.

Karnatak Branch.

1. Mr. B. L. Patil.
2. „ P. H. Gunjal.

Maharashtra Branch.

1. Rao Bahadur G. V. Jogalekar.
2. Rao Saheb K. H. Gokhale.

DELEGATES NOMINATED BY THE REGISTRAR, CO-OPERATIVE SOCIETIES.

Rao Bahadur R. G. Naik, M. B. E., Divisional Honorary Organiser, C. S., Belgaum.

Professor of History, Wilson College, Bombay.

Professor of History, St. Xaviers' College, Bombay.

- Mr. G. A. D. Wasif, District Honorary Organiser, C. S., Nasik.
 „ S. L. Apte, Manager, Poona District Central Co-operative Bank.
 „ Bhoj Singh Gurdinomal Pahaljani, B. A., B. Sc., M. L. C.
 „ D. D. Gholap, M. L. C.
 „ D. T. Ojha, M. L. C.
 „ Lallubhai Ambaram, M. L. C.
 „ S. T. Sheppard, Times of India, Bombay.
 Khan Bahadur Saheb Ismail Saheb Madar Saheb Bedrekar.
 Sardar the Thakore of Amod, M. L. C.
 Mr. R. M. Sane, Divisional Honorary Organiser, C. S. Barsi.
 „ B. S. Shirolkar, Mamlatdar of Sindgi, Dist, Bijapur.
 „ V. S. Bhide, I. C. S., Personal Assistant to the Collector of Thana.
 „ K. B. Bhadrapur, District Deputy Collector, Dhulia.
 „ C. P. Shah, Cotton Excise Inspector, Bombay.
 Captain H. R. Kothawalla, M. V. O., M. B. E., Superintendent of Police, B. B. &
 C. I. Railway, Colaba, Bombay.
 Mr. B. W. Kissan, I. C. S., Collector of Bombay.
 „ A. O. Kureshi, I. C. S., Collector of Dhulia.
 „ J. A. Pope, I. C. S., Dy. Commissioner, Salt & Excise, Bombay.
 „ J. S. Kadri, Educational Inspector, Bombay.
 „ M. A. McMillan, I. C. S., Collector of Surat.
 Lt. Col. Robert Markhan Carter, Senior Medical Officer, J. J. Hospital Bombay.
 Mr. M. C. Kelkar, District Deputy Collector, Jalgaon.
 Prof. of Economics, Elphinstone College, Bombay.
 Mr. J. A. Madan, I. C. S., Bombay.
 Khan Saheb Azimkhan, Assistant Registrar, C. S., Hyderabad.
 Mr. D. A. Shan, M. A., LL. B., Assistant Registrar, C. S., Surat.
 „ L. S. Potnis, B. A., Assistant, Registrar, C. S., Bombay.
 „ N. P. Bhagwat, M. A., LL. B. Assistant, Registrar, C. S., Poona.
 „ C. B. Huli, B. A., Assistant Registrar, C. S., Dharwar.
 „ N. D. Karmarkar, Special Auditor, C. S., Poona.
 „ K. R. Kulkarni, Auditor, C. S., Gadag.
 „ N. V. Nayak, B. A., B. Sc., Auditor, C. S., Sholapur.
 „ R. N. Trivedi, Auditor, C. S., Broach.
 „ G. S. Dandavate M. A. Auditor, C. S. Dhond Dist. Poona.
 „ M. A. Awan, M. A., LL. B. Auditor, C. S., North Sind, Sukkur.
 „ V. H. Nayak, M. A., (Cantab) Bar-at-Law. District Dy. Collector, Dharwar.
 Rao Bahadur A. U. Malji, Divisional Honorary Organiser, C. S., N. D.

VISITORS NOMINATED BY THE DIRECTOR OF AGRICULTURE, POONA.

- Mr. Bhibhai R. Naik, Jahagirdar of Bhanodra.
 „ Mohanlal S. Dalal, Nadiad.
 „ P. M. Bildikar, B. A., Secretary Agricultural Association, Pachora.
 „ B. R. Ransing, Dhulia.
 Rao Bahadur G. K. Chitale, B. A., LL. B., M. L. C., Ahmednagar.
 Mr. V. N. Mutalik B. A., LL. B., Satara.
 Rao Saheb C. S. Shirhatti, Hubli.
 Rao Bahadur V. S. Naik, Ranebennur.
 Mr. B. M. Basrur, Honavar.
 „ K. T. Kurulkar, Umbergaon.

Khan Saheb Sardar Chakar Khan Suhrini, Chakarabad, Kandhkote.
Mr. Manohardas Kouromal, Sind.

- „ G. G. Thakar, Pleader, Poona.
- „ B. S. Kamat, B. A., M. L. A., Poona.
- „ L. J. Pandit, Sholapur.
- „ S. S. Mangsuli, B. A., LL. B., Athani.
- „ G. R. Honap, B. A., Bhambora, Pedgaon.
- „ A. B. Modak, Bombay.
- „ S. D. Nagpurkar, Bombay.
- „ G. A. Hiremath, Satara.

DELEGATES ELECTED BY CO-OPERATIVE BANKS & CREDIT SOCIETIES.

Bombay Central Co-operative Bank.

The Hon'ble Mr. Lallubhai Samaldas, C. I. E., J. P.
The Hon'ble Mr. P. C. Sethna.
Madhavji D. Thakersey, Esq.
Rajasaheb Shambhusing Jadhavrao.
D. R. Kale, Esq.
L. K. Bhagwat, Esq.
V. P. Varde, Esq.

District Central Banks.

Name of Bank.	Name of Delegate.
The Surat District Central Co-operative Bank.	Mr. Chunilal Maneklal Gandhi, M. L. C. Sardar Ishwardas Jagjivandas. Mrs. Bhimbhai Ranchodji Naik.
The Broach District Central Bank.	Mr. Chunilal Hakumatrai Desai. „ Harilal Govinddas Zaveri. „ Narbheram Kirparam Desai.
The Kaira District Credit Co-operative Bank, Nadiad.	„ Prabhudas Haridas Desai. „ Trikamlal Sakalchand Parikh. „ Chunilal Amritram Pandya.
Sind Central Co-operative Bank.	„ Jamshed N. R. Metha.
Hyderabad Central Co-operative Bank.	„ Syed Mohd. Kamal Shah, M. L. C. „ R. S. Udharam Sivakhram, Zamindar. „ K. D. Shahani.
Karnatak Central Co-operative Bank, Dharwar.	Diwan Bahadur S. V. Mensinkai. Mr. S. K. Hosmani. „ V. P. Chavadi.
Belgaum District Central Co-operative Bank, Belgaum.	Mr. V. M. Bakre. „ N. S. Nargundkar. „ N. S. Lokur.
Bijapur District Central Co-operative Bank, Bijapur.	„ Sangappa Sar Desai of Rakkasgi. „ Krishnagowda Patil of Sirur. Rao Bahadur Raghavendraro Kembhavi.
The Kanara District Central Co-operative Bank.	Rao Bahadur P. N. Pandit. Mr. S. S. Patel. „ C. M. Himsheth.

Name of Bank.	Name of Delegate.
Larkhana District Central Co-operative Bank, Ltd. Larkhana.	Khan Bahadur Shah Zawaz Khan Bhutto, O. B. E., M. L. C.
Poona District Central Co-operative Bank, Limited, Poona.	Khan Bahadur Haji Amirali, M. L. C., Khan Saheb Ghulam Mahamad Isram, M. L. C. Mr. Hari Vithal Tulpule.
Barsi District Central Co-operative Bank, Limited Barsi.	„ Damodar V. Sohoni. „ Ganesh Govind Joshi. „ B. P. Sulakhe, B. A., LL. B. „ B. B. Vaidya.
East Khandesh District Central Co-operative Bank, Limited.	„ B. D. Annegirikar. „ S. Y. Sontakke.
Nagar District Central Co-operative Bank, Limited.	„ G. K. Chitale, M. L. C. „ H. K. Patwardhan. „ N. Y. Mirikar.
Nasik District Central Co-operative Bank, Limited, Nasik.	„ R. G. Pradhan. Rao Bahadur A. V. Gupte. Mr. Fulchand Bhunilal.

NORTHERN DIVISION.

Ahmedabad District.

Name of Taluka.	Name of Delegate.
N. Daskroi.	Mr. Marghabi Kubardas Patel.
S. "Viramgam" & Sanand.	„ Mohanlal Rardshanker Dave.
Dholka, Dhandhuka, Gogha and Modasa.	„ Haribhai Jivabhai.

Kaira District.

Matar.	„ Nagarbhai Talsibhai.
	„ Chunilal Lalubhai.
Nadiad, Kapadvanj.	„ N. G. Kulkarni.
Mehemdabad, Thasra, Anand.	„ Chunnilal Jugalbhai Desai.
Bossad.	„ Samsudin Sahebbhai.

Panch Mahals District.

Dohad, Zalod.	Mr. Bhogilal Vithaldas Parikh.
Godhra, Kalol, Halol.	„ Dinshaji Bamanji Dalal. „ Ambalal Nathubhai.

Broach District.

Broach.	Mr. Narotandas Tribhovandas.
	„ Harilal Ganpatram Desai.
Anklesar and Hansot.	„ Hiralal Ratnaram Thanki. „ Harikrishandas Jagjiwandas.
Vagra.	„ Punjabhai Bhukandas. „ Muse Hasan Vali.
Jambusar.	„ Yusuf Ismail. „ Navnitlal Dhaneshar.
Amod.	„ Nagjibhai Ishwarbhai Patel.

Name of Taluka.

Name of Delegate.

Surat District.

Olpad.	Mr. Jerambhai Prabhubhai.
	„ Purushotam Icharam I. Patel.
	„ Ranchhod Bhana Pinjarat.
Chorasi, Bardoli, Valod.	„ Mansuklal Ochhavlal.
Mandvi.	„ Narayanji Ranchodji.
Chikhli, Bulsar, Pardi.	„ Manibhai H. Desai.
	„ Manibhai G. Desai.

Urban Credit Societies of Bombay.

Names of Delegates.

Mr. A. V. Chitre, B. A.	Mr. L. B. Nayak, B. A.
„ S. N. Hate, B. Sc., L. C. E.	„ P. B. Gothoskar.
„ S. G. Devrukhkar.	„ R. K. Shirodkar.
„ Syed Munawar.	„ P. G. Naik, B. A.

CENTRAL DIVISION.**Poona District.**

Name of Taluka.

Name of Delegate.

Haveli.	Mr. Bhalchandra Vithal Bhagwat.
	„ Sakharam Tukaram Patil.
Purandhar.	„ Mahadeo Rajaram Tarkunde.
Bhimthadi.	„ Vishnu Sadashiv Date.
	„ Krishnarao K. Kakade.
Khed.	„ Kashinath Nago Apte.
	„ Trimbak Prabhakar Karve.
Sirur.	„ Laxman Dinkar Lohekare.

Satara District.

Karad.	Mr. Ganpatrao Patwardhan.
Walwa (Grp. No. 1)	„ Rajaram Narayan Rajdnya.
„ No. 2	„ Rajaram Narayan Rajdnya.
	„ Hari Appaji Sathe.

Sholapur District.

Pandharpur.	Mr. Narsinh Pandurang Surnis.
	„ Mahadeo Ranganath Godbole.
Madha.	„ Shridhar Ramchandra Kulkarni.
	„ Yeshwant Narayan Kakade.
Karmala.	„ Babuji Keshavrao Rashinkar.
Barsi.	„ Vinayak Dattatriya Dharmadhikari.
	„ Janardan Narayan Kulkarni.

Ahmednagar District.

Kopargaon.	Mr. Patwardhan.
Shrigonda.	„ Shripatrao Patel.
Shevgaon.	„ D. N. Deshmukh.
Nagar.	„ R. B. Hivargaonkar.

Name of Taluka.	Name of Delegate.
	Nasik District.
Igatpuri.	Mr. S. V. Udupikar.
Niphad.	„ Rangnath Balwant Khot.
Baglan.	„ S. N. Kulkarni.
Sinnar.	„ Balaji Daji Dabke.
Malegaon.	„ Shaunkar Anant Pavar.
	„ Punja Shivram Patel.
	East Khandesh District.
Parola	Mr. Nimba Lotu Patil.
	„ Chabildas Ramdasbhai Gujarati.
Bhusaval	„ S. Y. Sonatakke.
Jamner	„ Gangadhar Y. Dixit.
Pachora	„ Abdul Razak G. Deshmukh.
Raver	„ Dhondu Mahipati Nagale.
Bhusaval	„ Vishnu Daji Deshmukh.
	„ Ganpat Ramji Patil.
Peta Edlabad	„ Vishnu Daji Deshmukh.
Chalisgaon	„ N. M. Jadhav.
	West Khandesh District.
Sakri	Mr. Krishnaji Kashinath Karmarkar.
Shahada	„ Kisandas Tansa.
Shirpur	„ R. G. Sahasrabuddhe.
	Konkan Division.
Kolaba	Mr. Krishnaji Laxman Datar.
Roha	„ Ganesh Abaji Rayekar
Alibag	„ Damodar Pandurang Agashe
Ratnagiri	„ Narhar Bagaram Rajwadkar
	„ V. V. Athalye
Kharepatan	„ R. G. Mainkar
Alibag	„ Y. G. Gurjar
Alibag	„ Jagannath Pandurang Mahatre
	„ Sardar P. K. Biwalkar
Dahanu	„ V. K. Sanjanwalla
	„ M. K. Musule
	„ B. D. Rajwade
	„ C. R. Shroff
Dahanu	„ V. S. Dhapre
	SOUTHERN DIVISION.
	Dharwar District.
Dharwar	Mr. Pampappa Desai
„	„ Dattatraya Gururao Mutalik Desai
Hubli	„ C. N. Ginimau
	„ Shivarao Babbasa Mhetrani
Gadag	Rao Saheb Lingangavda Patil
	Mr. M. S. Kulkarni
	„ Siddangavda B. Hiregavad
Karjigi	Rao Bahadur Chanabasappa Anna Shetter

Name of Taluka.	Name of Delegate.
	Mr. Sidappa Kariyappa Hosmani
	„ Basappa Chanbasappa Chekki
Ranebannur	„ S. S. Naik
	„ Puttaraj Wadayar
Navalgund	„ Shamachariya Hemadri
	„ Maharad Gous Khudavand
	„ Bhasangavda Sankangavda Patil
Hangal and Kalghati	„ Chanvirappa Gangappa Shetter
Ron	„ Tolappa Ayappa Kadagad Jakli
	„ Virangowda Andanigowda Jakkali
	Belgaum District.
Parasgad	„ Mahadeva Gavda B. Patil
Other talukas, group	„ Paramshetti K. Patil
	„ Gopal Nagesh Chikodi
	„ Mallagowda Nanagavda Patil
	Bijapur District.
Hungund	„ Hanmant Govda G. Patil
	„ Shankerappa Naltwad
Sind and Others	Rao Saheb Shivlingrao Desmukh
	Mr. M. C. Kori
	„ Shiddi Hussen Patel
	„ Abdul Haq Bhutto
	„ Kazi Abdul Kavi
	„ Mian Sayed Sabar Ali Shah Hussan Ali Shah
	„ Vadero Dost Mohd. Khalim Khasin
	„ Kazi Faiz Mahmud Kandra
	„ Kaji Ali Hussan Khan Kakhro
	„ Khan Sabeab Abdul Hamid Khan
	„ K. B. Shah Nawaz Khan Bhutoo, M. L. C.

DELEGATES ELECTED BY

Societies with a working capital of one lakh or over.

Name of the Society.	Name of Delegate.
Dharwar Urban Co-operative Credit Society.	Mr. V. B. Dharwarkar.
Hubli Urban C. C. Society.	„ K. R. Valvekar.
The Southern Maratha Urban C. C. Society.	„ V. N. Jog.
The Sirsi Urban C. C. Society.	„ S. N. Keshwain.
The Raddi Communal C. C. Society.	„ Ramappa Vankappa Banani.
The Chandraseniya Kayastha Prabhu C. C. Society. }	„ V. N. Gupte,
	„ D. V. Pradhan.
The Bombay Postal C. C. Society. }	„ S. R. Kothawalla.
	„ C. Saldhana.
The B. B. & C. I. Ry. Employees C. C. Society.	„ M. V. Parekh.
The G. I. P. Ry. Employees C. C. Society.	„ Jhal Muncharjee.

Name of the Society.	Name of Delegate.
The Shamrao Vithal C. C. Society.	„ S. V. Shashital.
The Bombay Namdev Co-operative Commission Agency.	„ P. M. Hirve.
The Belgaum Pioneer C. C. Society.	„ B. B. Potdar, B. A., LL. B.
The Hadapsar C. C. Society.	Rao Saheb G. G. Kale.
Chal Chigudd C. C. Society.	Mr. Siddi Hussein Patil.
Varad C. C. Society.	„ Narayan Dhondu Kadam.
Cosmos C. C. Society.	„ A. K. Athavle.

Housing Societies-

Bombay Catholic Co—Partnership Housing Society.	Mr. F. A. C. Rebello.
Kanara Saraswat Co-operative Housing Society.	„ V. M. Dubhashi.
Laxmi Co-operative Housing Society.	„ C. B. Kora.
Saraswat Co-operative Housing Society, Ltd.	„ G. P. Murdeshwar.
Saraswat Suburban Co-operative Housing Society.	„ L. V. Kaikini.
Parsi Central Co-operative Housing Society.	„ M. E. Joshi.
Parel Village Cosmopolitan Building Society.	„ B. G. Parelkar.
The Broach Co-operative Building and Road Constructing Society, Limited.	„ Krishnarao G. Palkar.
The Hindu Friends' Co-operative Housing Society, Limited, Bombay.	„ Natwarlal Madhavlal Desai, B. A., LL. B.
Raddi Communal Co-operative Housing Society, Limited, Dharwar.	„ Kanchangwada T. Patil.
Pathare Prabhu Co-operative Housing Society, Bombay.	„ Diwan Bahadur Ganpat Sadashiv Rao.

Consumers' Societies.

Name of Taluka.	Name of Delegate.
Madha.	Mr. Rangnath Vishnu Inamdar.
Walwa.	„ Hari Abaji Sathe.
Surat.	„ Nanabhai Lalbhai Vakil.
„	„ Girdharlal K. Thakore.
Bombay.	„ A. H. Sawant.
„	Dr. M. B. Udgaonkar.

Producers' Societies.

Bombay District.	Mr. F. J. Ginwalla.
„	„ V. R. Jaiwant.
East Khandesh.	„ Seth Trikamdass Tribhowandas.
Taluka Ghogha.	„ Maganlal Amthadas.

Weavers' Societies.

Bijapur	Mr. M. B. Challa
Badami	„ Hanmantgwada Lankeppnaver

THE BOMBAY PROVINCIAL CO-OPERATIVE CONFERENCE, 1922.

To be held in SIR COWASJI JEHANGIR HALL, BOMBAY.

Opposite the Museum, Fort,

on December 10th, 11th & 12th, 1922.

President: THE HON'BLE MR. C. V. MEHTA, M. A., LL. B.

Vice President: MR. G. K. DEVADHAR, M. A.

PROGRAMME.

First day, Sunday 10th December, 1922.

(A) 11-30 a. m. to 1-30 p. m.

(Members are requested to be present at 11 a. m.)

1. Introductory remarks by the Vice-President of the Institute.
2. Opening address by the President.
3. Report of the action taken on the resolutions of the previous Conference.

(a) Remarks by the Registrar, Co-operative Societies.

(b) " " Hon. Secretary of the Institute.

3 A. Distribution of Certificates and Prizes.

4. Appointment of the following Sub-Committees to consider the subjects mentioned against their names.

Note—The subjects mentioned below refer to the printed list of the subjects already circulated with the Conference Circular letter No II. The names of the members of the Sub-Committee will be posted in the Conference Hall.

5. Opening of the Co-operative Products Exhibition.

SUB-COMMITTEES.

- I. Problems relating to Resource Movement.
 - (1) Primary Societies and (2) Central Agencies for Finance and (3) General Aspects.
- II. Problems of Agricultural Co-operation (Non-Credit),
- III. Problems relating to Producers' Movement.
- IV. Problems relating to Consumers' Movement (Stores & Housing).
- V. Problems relating to Policy and Propaganda.
- VI. Legal Problems.

N. B.—The Sub-Committees may split themselves up into groups if necessary for the consideration of sub-heads.

(B) 2-30 p. m. to 5-30 p. m.

Sittings of the Sub-Committees.

Second Day, Monday 11th December, 1922.

11 a. m. to 1-30 p. m. and 2-30 p. m. to 5 p. m.

Resolution regarding Co-operative Movement in Italy.

Consideration of the reports of Sub-Committees: Nos. I, III, IV, V, & VI.

Third Day, Tuesday the 12th December, 1922.

11 a. m. to 1-30 p. m.

1. Consideration of the report of the Sub-Committee No: II.
2. Appointment of a Committee for taking action on the Resolutions of the Conference, and according to Taluka Branches of the Institute right to elect one delegate to the Provincial Conference.
3. Vote of Thanks.

(For other Engagements see Supplementary Programme on next page.)

BOMBAY PROVINCIAL CO-OPERATIVE CONFERENCE.
1922.

Delegates' Engagements.
Supplementary Programme
(Subject to variations.)

N. B.—This programme mentions such additional items of work for the delegates as have not been included in the regular programme.

2. Arrangements will be made for supplying refreshments to members of Conference on cash payment by them in the Conference hall during the Conference days, 10th to 12th December, both inclusive.

3. The Office of the Conference will be in the Institute Office, Sardar Building, Fort, and all enquiries should be addressed to the Secretary of the Institute. Inquiries may also be made at the Branch office, C/o. the Servants of India Society's Home, Sandhurst Road.

First Day, Sunday the 10th December, 1922.

1-30 p. m. Opening of the Co-operative Products Exhibition.

9 p. m. Conference with Thana and Konkan Branch members regarding the work of the Konkan Branch and also regarding the disinclination of the Thana members to be in the Konkan Branch. At the Servants of India Society's Home.

Second Day, Monday the 11th December, 1922.

6-30 p. m. Magic Lantern Exhibition by Mr. V. S. Toro and Y. J. Gurjar, and Demonstration of Globoscope and opaque projection of agricultural photos and explanation by Mr. Gokhale and discussion about the subject. At the Conference Hall.

9 p. m. Discussion about the Night School Propaganda. At the Servants of India Society's Home.

Third Day, Tuesday the 12th December, 1922.

(At the Conference Hall.)

3 p. m. Vice-President's remarks regarding Sir Vithaldas Memorial Fund.

3-30 p. m. Informal talk re. Inter-Provincial Conference and exchange of views and ideas.

4-30 p. m. Conference of the officers of the Institute with members of all Divisional Branch Committees re. Institute work.

6 p. m. At Home by the Hon. Mr. Lalubhai Samaldas, C. I. E. at the Servants of India Society's Home.

Fourth Day, Wednesday the 13th December, 1922.

12 noon. Informal Talk regarding Wholesale Society for Sale of Agricultural Produce—Institute Office.

1 p. m. Members of the Conference may visit the Institute and ask questions regarding its work. At the Institute office.

3 p. m. At the office of the Provincial Bank. Members of the Conference desirous of eliciting information about the working of the Bank and discussing questions of general policy are invited to the Bank's office between 3 and 4 p. m.

4 p. m. Meeting of the representatives of the District Central Banks. Agenda of the meeting will be available at the Institute office.

The Co-operative Products Exhibition is open from 1-30 to 2-30 p. m. and from 4-30 to 8 p. m. during the Conference days and from 8-30 to 11 a. m. and 3-30 to 8 p. m. on succeeding days.

S. S. TALMAKI.

Hon. Secretary.

PROCEEDINGS

OF THE

BOMBAY PROVINCIAL CO-OPERATIVE CONFERENCE, 1922, SUNDAY, THE 10TH DECEMBER 1922.

The Hon'ble Mr. C. V. Mehta, President of the Conference arrived at 11-30 a. m. and was received at the entrance by the following gentlemen:—

Mr. G. K. Devadhar, M. A., Vice President, Bombay Central Co-operative Institute.

Mr. Otto Rothfeld, I. C. S., M. L. C., Registrar, C. S., Bombay Presidency.

Rao Bahadur S. S. Talmaki, Hon. Secretary, Bombay Central Co-operative Institute.

Mr. R. M. Sane, Divisional Hon. Organiser, C. S. C. D.

Prof. H. L. Kaji, President, Bombay Branch.

Mr. F. T. Nalavadi, President, Karnatak Branch.

Rao Bahadur A. U. Malji, President, Gujarat Branch.

The Hon'ble Mr. Lalubhai Samaldas, Chairman of the Bombay Central Co-operative Bank.

After shaking hands with these gentlemen the Hon'ble Mr. Mehta proceeded to his seat.

Mr. DEVADHAR'S SPEECH.

In opening the business of the Conference, Mr. G. K. Devadhar delivered the following speech:—

Ladies and gentlemen, before I proceed with the expression of my hearty welcome to you, I hope you will kindly permit me to read out a few names of those who have not been able to attend this Conference and have, on that account, sent us letters and telegrams of sympathy with the objects of the Conference. The names are:—

1. Sir Lawless Hepper.
2. Mr. H. B. Clayton.
3. Sir M. Viswaseraya, K. C. I. E.
4. Dr. Swaminathan, Chairman of the Madras Central Urban Bank, Ltd.
5. Director of Commerce and Industry, Baroda.
6. Mr. F. Nelson, Chairman of the Bombay Chamber of Commerce.
7. Mr. Malcolm Darling, Lahore.
8. Diwan Bahadur L. W. Swamikannu, Secretary, Madras Legislative Council.
9. President, Mysore Dist. Central Co-operative Bank.
10. Chief of Ichalkaranji.
11. Sir D. J. Tata.
12. The Registrar, C. S. Hyderabad.
13. Dr. R. P. Paranjape.
14. Mr. P. S. Strickland.

Mr. Devadhar continuing said:—

In the name and on behalf of the Bombay Central Co-operative Institute, I gladly accord you a most cordial welcome to this Conference, the first of its kind in the City of Bombay. This is the second of our Annual Conferences, organised under the auspices of the Institute, and the first that meets under its auspices in this great City. The first Provincial Co-operative Conference was held in Bombay 16 years ago, being organised by the Department ; but it was a very small beginning then. Now the Conference has grown in size and in weight, and it has assumed a thoroughly representative and elective character. I fully trust that in making this Conference a success worthy of the great Movement which we all have the honour to represent, we can always count upon your sympathetic co-operation. I have further to request you to overlook the defect and omissions of which we might be guilty. Please, therefore, take our hearty wish for the deed and never mind the shortcomings ; some of these are due to the constitution of the Conference to modify which a simpler form has been proposed for your consideration. I may, however, assure you that our best endeavours have been directed towards rendering your brief stay in our midst as profitable to you as it would be helpful to us. We have organised a useful nice little Exhibition of Co-operative Products from various Provinces as a new and important feature of this year's Conference. From the supplementary programme which is already placed in your hands, it will be clear to you that a number of important engagements and visits to some of the most flourishing Co-operative Institutions in the City have been planned, and it remains for you to take full advantage of these. As usual the several subjects, that have been sent up for discussion, have been divided into six groups each one to be in charge of a Sub-Committee, which will meet to-day in the after-noon for a fuller discussion. Names of delegates have been put on these Sub-Committees, and if we had more time we could have made them much more representative. We will not have this year the Agricultural Conference, held in conjunction with ours as was the case last year ; because, the Agricultural Department did not feel inclined to hold their Conference this year. We miss it very much.

Gentlemen, in the absence of His Excellency or any other distinguished Co-operator from other Provinces to add to the freshness of our knowledge of the subject, we have to congratulate ourselves on having secured as President of this Conference our great and esteemed friend, the Honourable Mr. C. V. Mehta (Cheers), who is at present, in charge of the Co-operation Portfolio. To you, Sir, we are deeply grateful for having responded to our invitation at such an unavoidably short notice. I know it must be taxing to you, when your hands must be so full and you are burdended with onerous duties and responsibilities. But your readiness to accept this Presidentship is a sure indication of your great keeness for the economic uplift of the masses and their moral and material well-being, and I have every hope that under your able direction the Conference will yield results, fruitful and abiding. (Hear, hear.)

This is certainly not an occasion for me to dwell at great length on any of the problems that are occupying the serious attention of the Co-operators. Our Registrar, Mr. Otto Rothfeld, has, in his last Administration Report, dealt very ably with some of the outstanding needs of the Co-operative movement in its all-round march, and I feel that all those who are eager to promote the cause of Co-

operation will give their best attention to them by carrying out systematic and unstained efforts in every direction. Speaking on behalf of the Central Institute, I have to assure the Co-operative Department and the Registrar that the Institute with its limited resources and organization, will not be slow in its endeavours to rectify some of the defects that are seen to exist in the Co-operative activities of to-day (cheers) and to which the attention of the Institute has been pointedly drawn with a view to removing them. These are generally attributed to the inadequate provision of propaganda and supervision, which are some of the functions of the Central Institute. It will be useful to add here that the Institute has, with the assistance of Government, made a beginning in the direction of strengthening its work and its staff, both at its headquarters as also at its Branches, and we have no reason to be sorry for the progress that we have made during the last year both on the moral as well as on the material side. (Cheers.)

A cursory glance at the last year's Report will show that sufficient advance has been made in almost every direction, and any one who is pessimistic with regard to the moral achievements of this movement, even in the present stage of its infancy, will do well to read the summary of general progress given by the Registrar. Now, speaking about the Institute itself, I am equally glad to state that it has discharged its duties of training and propaganda to an extent consistent with its slender resources of men and money. As a mark of the growing recognition of its work and its serviceableness, its membership both of societies and individuals has increased. In regard to its position it may be said to its credit that every day the Registrar is anxiously seeking its advice in many matters. (Hear, hear.) On that account its administrative and legal work has materially increased. It is consulted with regard to the appointment of Hon. Organizers, on whose devotion our work so much depends. It is consulted in regard to byelaws and other matters of general policy. Thus it has come to be counted as a chief advisory, directing and controlling popular body—the champion of peoples' rights. (Hear, hear.) To-day it claims a much better organisation than last year's on account of the addition of two branches opened during the year, one in the Konkan and another in Sind. Thus, it has to-day 6 Branches through which it organises regular propaganda of lectures and magic lantern shows, holds Training Classes, arranges Conferences, publishes magazines in English and in Vernaculars, and supervises Adult Co-operators' education through Night Schools and continuation work. It further undertakes some work of organization and supervision and it proposes as suggested in his report by the Registrar, an economic enquiry into the conditions of the three Konkan Districts, with special reference to the causes that have rendered the progress of Co-operation slow in those districts. And it would later on undertake a similar inquiry in what are called the Famine Districts. A great awakening has come upon the people, and it is finding expression, though in a feeble way today, in some of the non-credit directions from which really needy people will receive great relief. I know the Institute is expected to do much more than what it has been able to achieve in the past and I may assure the Conference that we are not unmindful of our shortcomings. I can only tell my friends that if they take a more active and lively interest in organizing the work of the Central Institute within the sphere of their own influence and thus help it in its development, they will have very little ground for real complaint.

As to the Co-operative Department I have to record our general satisfaction for the advice which is cordially and mutually sought and given both by the

Co-operative Department and the Institute. Moreover, the Institute feels grateful to Government for additional help given to us this year. But I must say it is *not adequate*, if great things are expected of the Institute. I have never been in my life an advocate of a policy of wholesale dependence upon Government for everything; and it is, therefore, to you our fellow co-operators, that we look for further help and encouragement. (Hear, hear.)

Here I want to refer to a subject which the Conference Committee has asked me to move in the open Conference for your sympathetic consideration, and I have every hope that the Conference will empower the Institute, which is a member of the International Co-operative Alliance to associate itself with the protest which the Alliance has entered in very moderate terms against the great havoc that has been most wrongfully inflicted upon the Co-operative Organisations by the FASCISTI movement in Italy, a country which has enjoyed a great co-operative reputation and shown a splendid record of co-operative achievement and progress, and it is hoped that the present *Fascisti* Government under the leadership of Monsieur Mussolini will do adequate reparations to the Co-operative bodies that have been wronged and ruined. (Hear, hear.)

There is another subject to which, I have no doubt, you would like me to allude in a conspicuous manner in this Conference: I mean the lamented death of our great and good friend Sir Vithaldas D. Thackersey. He was the early pioneer of the Co-operative Movement in our Presidency. We meet under this dark shadow and sadly do we miss in our midst the presence of that inspiring personality, that veteran Co-operator, that unconquerable pioneer in the field, that indefatigable worker and zealous servant of humanity, that source of ennobling and stimulating influence, I mean Sir Vithaldas D. Thackersey. A blue-blooded aristocrat, an assiduous Co-operator, (an assortment of rare but sublime incongruity), a leading financier, an eminent businessman, an astute and clever industrialist, a practical political leader, Sir Vithaldas has left behind him a gap which it would be difficult to fill by finding out a person of equal energy, ability and idealism. On behalf of fellow-Co-operators and you all assembled here, I beg to tender my humble homage and tribute of love to the sacred memory of the great departed and pray that his spirit may continue to inspire us with courage and wisdom to go on with the great Movement to which we have the honour to belong. May his soul rest in peace and God bless his revered memory. Bombay bore ample testimony to the great loss it felt by the death of Sir Vithaldas by the most crowded and representative Public Meeting that was held in this very Hall on the 2nd September last and paid its warm tribute to the memory of the great and good man by passing a resolution to help the Institute in collecting funds to erect a building in his name for its habitation which has been its long-felt want and to which I had made a pointed reference in my last year's speech at the Conference in Poona. This building is to commemorate his great name and keep it permanently associated with the Movement in our Presidency. The services and sacrifices of Sir Vithaldas to this movement have been so great and conspicuous that no better monument to them could be devised by his loving friends and admirers. The Building which is estimated to cost about Rs. 3 lakhs will practically be the Home in Bombay of three great factors of the Co-operative Movement—the Institute, the Department, and the Bank—and thus it may be described as the Temple of Co-operation. In rearing this temple to the sacred memory of our departed friend

each one of us, either a Co-operator or a friend of Sir Vithaldas, will have to make his offering and I, therefore, appeal to all the Co-operators in Bombay as well as outside, as also to all friends and admirers of Sir Vithaldas to help this cause with their liberal support. I have no doubt that the whole Conference will express its deep sorrow and sympathy with Lady Vithaldas and the family in their bereavement and express the hope that they will also continue to take interest in the great movement and keep up the family tradition and continue the aid which Sir Vithaldas had promised to the Night Schools. Moreover I have every hope that the Conference will pass a resolution in support of the scheme of the Memorial Building and commend it to the whole-hearted support of the entire body of Co-operators all over the Presidency.

Dear friends, we must not forget that we have the privilege to belong to one of the greatest brotherhoods in the world that comprises all classes and conditions of men and thus is the most appropriate expression of the Spirit of the Age. The Age demands unity, not so much based upon culture, religion, race or politics; whether we will or will it not, it needs a great community of economic interests as the binding force in this Democratic Age. The new impulse which is pulsating the whole fabric of the Society, needs construction from within no less than from without. Co-operation brings about from within not only unification but also sound economic regeneration; though it is not claimed that it is a panacea for all the evils of our Society, yet it can very well lay claim to being a solvent of many of them. If we, therefore, remain loyal to the principles which are so dear to us owing to their constructive value, we may be able one and all to show next year a solid progress of the movement, marked by greater accession of wealth and strength as the result of devoted labours towards organisation and supply of capital, both of which form the life-blood of this movement. It is a matter of great pride that we Co-operators do not attach undue importance to "shadowy appeals" and high-sounding programmes, nor do we assign undue value to the one-sided direction of National work. If we could, therefore, persuade others to share our faith, I am certain that our ranks will be bigger, our achievements brighter, and our record more reassuring. For the reflection of our countrymen, who can think for themselves and who have set their hearts upon the moral and material progress of our great country, I make an extract from a book, which deals with the problems of Rural Reconstruction in Ireland. The writer says:—

"The excessive importance attached to the political question which has been so great a factor in weakening the character of the Irish farmer as a producer of economic wealth was both a cause and an effect. The lack of application to the more material needs rendered the Irish mind receptive to more shadowy appeals, while the interest of the people in this single problem turned their minds away from more practical questions. No one would deny the importance of the political problem in regard to Ireland, but there is every reason to claim that its place in recent Irish history has been out of all proportion to its importance. The Nationalist Party had one aim and one aim only. It found in Self-Government the panacea for the ills of Ireland. The economic difficulties which we have been considering were, according to this point of view, entirely the result of political causes and could not be corrected without an enactment of Home Rule. Efforts in other directions were not only wasted, but were dangerous as postponing the day of real comprehensive reforms. Thus the

programme of the Party has been altogether lacking in constructive proposals. Everything was subordinated and sacrificed to the single claim. This policy had two unfortunate results. It created the belief that the only hope of prosperity lay in political changes and it absorbed all the energy of the people. Few Movements have enjoyed a greater loyalty or enthusiasm on the part of their followers than that with which the Irish have always supported their demand for Self-Government. Could but a portion of this loyalty and enthusiasm have been devoted to the practical problems of economic regeneration, the situation would have been far different. But this disproportionate interest in politics created a disproportionate belief in political remedies. Sir Horace Plunkett tells the story of a peasant in the West of Ireland who ceased planting potatoes on hearing that the Home Rule Bill of 1893 had become Law. Spontaneous generation was but one of the many improvements in the natural arrangement of affairs to be secured through this panacea. What use was there then in practical efforts when at any moment the enactment of Home Rule might inaugurate a new Utopia?"

Gentlemen, I now ask you to substitute "India" in the place of "Ireland" in the above quotation and judge for yourselves how far this picture is illustrative of our present condition!! (Cheers.)

Ladies and gentlemen, I believe you will now be here with us for another three days and you will give the Conference the best of your attention and your whole-hearted co-operation. I would now, therefore, request, on your behalf, and on mine, our esteemed friend and fellow-Co-operator, the Hon. Mr. C. V. Mehta to formally occupy the Chair of the President of this Conference. (Cheers.)

The Hon. Mr. C. V. Mehta, who, on rising, was received with a tremendous applause, delivered his presidential address in the following terms:—

THE PRESIDENT'S SPEECH.

Ladies and gentlemen, I need not say what great pleasure it gives me to preside at this second Conference, called under the auspices of the Bombay Central Co-operative Institute. It is meet that the first Conference should have been opened by His Excellency, and that in the second one that function should be performed by the Minister in charge of Co-operation. I have always been anxious to meet and hear the views of co-operators on the many problems that constantly arise in a movement of this magnitude. Nothing gives one greater opportunity for understanding how the minds of the supporters of the movement are working in the different parts of the Presidency than the Provincial and other Conferences, and I am grateful to the Bombay Central Co-operative Institute for giving me this opportunity.

2. I desire to endorse the remarks of Mr. Devadhar with regard to the great loss that the Co-operative movement has sustained by the untimely death of Sir Vithaldas Thackersey, and to associate myself with the appeal he has made for supporting the scheme for a building in Bombay in memory of Sir Vithaldas. While keeping his memory always before the Co-operators by this

memorial, the building will fill the long-needed want of giving a habitation to the Bombay Central Co-operative Institute at its Headquarters.

3. As shown in the annual report of his Department, in the wellknown literary style of the present Registrar, the movement, during the last year, has expanded in a remarkable and gratifying manner, the expansion being not so much in the direction of the multiplication of societies and in the indiscriminate increase in membership as in the growth and strengthening of the existing institutions. The working capital of the movement, as a whole, is increased by over 30 per cent. Last March it amounted to Rs. 4,35,00,000, and it may well be hoped that by next March it will have attained the figure of almost six crores. Of the sum of Rs. 4,35,00,000, two crores and forty-five lacs belonged to the members, they being constituted of either a share capital paid up by them, of their deposits, or of the reserve funds earned by them. These percentages are a matter of great gratification and show a remarkable strength in the movement. At the same time, however, many of the worst Societies have been struck off, 89 were brought under liquidation during the year, and the number of Societies that are still being cancelled, during the current year, will probably be over 100. Four hundred and thirty-five Societies are classed as A or very good, and 2025 as B or good. Only one-seventh of the Societies in the Presidency are much below the standard expected from primary Societies. The effects of consolidation and strengthening have also been shown in the expansion of work of the Societies for the sale of agricultural products. In spite of a rather unfavourable season, the total value of goods sold by such Co-operative Sale Societies amounted to almost Rs. 22,00,000, and the Southern Division alone the value of goods sold amounted to over 14 lacs of rupees. Since last March, several new Societies have been registered and will start work this harvest, while it is believed that the position of the existing Societies has been further strengthened. In addition to the benefits conferred by these Societies, they also add to the distribution and cultivation of pure seed. In the Southern Division alone, last season, it was estimated that 60,000 acres had been sown with pure cotton seed, obtained from these Sale Societies. The same process is at work in the Surat District of the Northern Division. I hope that, though belated, the distribution there, through the Co-operative Agency, will make a much quicker progress. The extension by way of consolidation has, however, been the most noticeable of all within the Banks, which are daily gaining in importance. There are now 21 Urban Banks with a capital of over Rs. 50,000 in the Presidency. In those 21 Banks the share capital and reserve funds now stand at 15 lacs and 3.3 lacs respectively. Their working capital has risen to over eighty-eight and a quarter lacs, and members' deposits form fifty-five and a half lacs out of the total. There are also 19 District Banks in the Presidency, two out of which, however, have been regrettably inefficient. As a whole, never-the-less, the increase in their working capital has been astonishing. Their working capital is now 62 lacs, showing an increase of 50 % over the previous year's total. Their deposits rose from 34 to 60 lacs in one year, and if the figures of the Provincial Banks are included, the total deposits rose from 149 to 284 lacs, or nearly 100%. The gratifying feature is the wider use of cheques and other instruments, which shows a better appreciation of the banking methods by those concerned. The general financial organisation has also become strong, regular, and simple. All these figures show a greater comprehension of the value

of the movement and also a more efficient working. A comparison of this Presidency with the other Provinces is interesting. The number of Societies is no criterion of the popularity of the movement; it is the number of people in the Societies who take the benefit of the movement, that forms the true test, and, judged by that standard, I am glad to say we are easily the first, having 13.7 members per 1,000 inhabitants, the Punjab coming next, being a good way behind, and having only 11.1 members per 1,000 inhabitants. An analysis of these figures shows our long lead also in the number of members for non-agricultural purposes, Bombay having 4.5 members, while Madras came next with only 2.7. As regards the working capital, Bombay bracketted with the Punjab with 28 annas per head of population, the Central Provinces being with 34 annas and Burma having as much as 42 annas. The working capital is made up of the members' own as well as the borrowed capital. Significant, of course, is the former, as indicating both stability and thrift. Taking together the share capital, the members' and societies' deposits, and the reserve and other funds, Bombay and the Punjab have 12.7 annas per head, Burma coming down to only 13.8, and the Central Provinces dropping as low as even 6.5 annas. It is also satisfactory to note that with regard to the rates of interest charged by the Central Banks and by the Societies in their turn, Bombay's are, perhaps, the lowest, at any rate, bearing a favourable comparison with those of any other province. These figures relate to the year ending 1921 only. With the enormous stride in 1922, and when later figures for the rest of India are available, I am sure Bombay's pre-eminence will be confirmed.

3. A few words about the peculiar problems of the great City would not be out of place. The fundamental need in connection with all attempts at amelioration of the condition of the working classes is the provision of housing accommodation. Without that, there can be no help, no decency, hardly even temperance. In spite of this fact being recognised, it is a matter of surprise that Housing Societies are not springing up in such numbers as to compel the provision of larger funds being made, still the Conference will be glad to know that we have obtained from the Development Loans additional 5 lacs of rupees a year for five years. The sum is by no means large, but, in order to get it enhanced, an effective demand must be created. I note the shifting character of the labouring population is a severe handicap, but I trust the Co-operative Institute, through its Committee, will give special attention to this important question, and so also will the Clerks' Union on behalf of the lower middle classes, who are particularly hard hit. I have invited both these Bodies to examine and place before Government the difficulties that stand in the way. Government will be glad to give the matter a sympathetic consideration. The time appears to be now more favourable. Costs are declining, and land will be available in plenty. I regret that the Debt Redemption Society is still stagnant. I think, however, that in order to encourage thrift among wage-earners, that Savings Bank accounts should be opened in every Society, and the wage-earners should be induced to save something every month. Government have now put on an Industrial Organiser for Producers' and Consumers' Societies in Bombay and Ahmedabad only, and it is hoped that with the concentration of effort, and with a general awakening, to be fostered by the Institute, at its headquarters, a greater progress will ensue.

4. I have mentioned that the working capital has risen by 30 per cent. in a single year and that in the current year it is expected to reach 6 crores

and go on increasing at a similar rate. When sums of this magnitude are concerned, it is necessary that the whole financial fabric should be examined and re-examined, if the movement is to remain on a stable basis. We have the Provincial Bank at the head, and then its branches, or Central Banks and their branches. But there is a wide gap between these and the primary societies. It was thought that the Guaranteeing Unions would fill up this gap, but they do not seem to find much favour, and their place is being taken by the Supervising Unions. I understand that a sub-committee of the Conference is going to discuss this question and also that of the limitation of the areas to be served by the Central Banks, so that societies can be promptly and adequately financed. I cannot help thinking that this decentralization will have to be more closely organised, as time goes on, and that a system of Taluka Banks will ultimately have to be evolved. I am not in favour of multiplying associations, and I am inclined to think that the Taluka Development Committees, to which I shall refer later, may serve the purpose. The desideratum is that there should be a more intimate contact between the borrower and the lender, and I am glad to say that the need for a closer supervision, which we discussed at the last year's Conference, is now practically recognised and that, the District Banks have appointed Inspectors, though their quality may still require to be improved. The Provincial Bank has agreed to bear a share of the expenditure, and Government, I dare say, will likewise take their share on certain conditions. This question is closely bound up with the necessity of one's insisting on the moral side of the movement, and, with inculcation of the true principles of co-operation, such as thrift, mutual help, proper application of loans, and timely repayment, I cannot insist too strongly on this moral aspect. Pointed attention of all the co-operators has been drawn to it in the Government resolution on the last Administration Report, and in order to achieve that and as well as progress in non-agricultural activities, the active assistance of the non-officials has to be enlisted.

5. This brings me to the decentralisation and devolution, which I have favoured these last 2 years, and which have resulted in the formation of the Divisional Boards and Taluka Development Committees, regarding which Government resolutions have been issued. The Co-operative Institute stands at the head of all the non-official Co-operative activities in the Presidency. The Conference has, as a deliberative assembly, to register its opinion on the policy of the movement. For its organisation, the Institute is now responsible, and the organisation of the Conference is undoubtedly one of the most important functions of that Body. But the Institute has other functions as well, which it must not neglect. It should be the focus of all non-official co-operative activity, and must work up the standard of supervision, the working, and education of co-operators throughout the Presidency. The condition of every society, which has to be cancelled by the Registrar, is only a reflection on the work of the Institute. Cancellation implies that that society has not been taught and guided as it should have been. It is the place of the Institute to recruit as rapidly as possible non-official workers, filled with enthusiasm, who will devote their time to such guidance, teaching, and supervision. So far, it must be confessed that the Institute has not been able to accomplish this duty as fully as it might have been. In certain Districts, the Registrar has found that practically no attempt to impart such supervision or teaching has ever been made. To take one instance only, in the Bijapur District, there are many societies, which in the

ten years or so of their existence, have not been visited by anyone except for the annual audit of the Government Auditor. Such a state of things shows the need for extraordinary effort and propaganda by the Institute, and it shows also how much lee-way has to be made up. In the circumstances, with the very little instruction, that has been given—and that almost entirely by the extremely scanty official staff—it is surprising that so many societies have attained a very fair standard and that only one-seventh are definitely below the standard required. It says much for the spirit of the cultivator and of the Co-operator as a whole that so high a standard has been maintained with so little an assistance. But if the movement is to expand in number, as it should, if instead of the one-fifteenth of the population we are to have one-third of the population in the movement, as it ought to be, then very rapid steps for systematic training and instruction must be taken. This year, this want of inspection, supervision, and guidance, has resulted in a paradoxical state of affairs. While the capital at the command of the movement is still very much below what is required for the purposes of industry and cultivation in the Presidency, while the working capital is only four and a half crores, while the requirements of cultivators alone, for current purposes each year in this Presidency, are estimated at not less than 25 crores, while the redemption of old debts has hardly yet been seriously taken up and while only very little money is devoted to long term loans, yet, at the present level of societies and the want of security caused by insufficient instruction in co-operative principle, it was not possible even to utilize the sums available to their full extent. At one time, the Provincial Bank alone had 30 lacs lying idle, and, at the same period, the balances with individual District Banks were so high that in the aggregate they must have amounted to another 15 lacs in the Presidency. The Institute is now awake to the measures required for instruction. It is taking steps in the direction of improving its office. With its branches, it has been able to organise many training classes and conferences. At the classes, this year, 68 students attended the English Training Class, and 14 attended the Honorary Organisers' Class; unfortunately, only 3 attended the Bank Managers' Class. At the examination, held after the classes, 32 students appeared and 23 passed; but it is clear that these activities do not go far enough, and that regular programmes of propaganda and teaching in societies, and especially in the societies classed 'C' and 'D' must be taken up on regular and organised lines by the branches of the Institute. This implies, of course, the employment of trained Secretaries and proagandists, and such employment, again, implies the supply of more funds. At the present moment, 2469 societies are affiliated to the Institute, and 556 members are individuals. The membership is not yet nearly adequate. About 1,000 Societies have still failed to affiliate themselves. It is a duty which ought to be impressed on every Society of being affiliated to this body, which is the corporate expression of co-operation in this Presidency. It is particularly regrettable that some of the higher societies fail to affiliate, as they have done at present. One Railway society, for instance, with its enormous capital and its enormous influence, has not yet done its duty in this way, and several of the Urban Banks are also the offenders. In addition to the membership of Societies, it should be the duty of the branches of the Institute, and of the Institute itself, to make every attempt to enlist sympathisers.

6. We fully recognise that Government must help the Institute, and I am happy to say that in the current year of grave financial stringency, we have been

able to double the grant to the Co-operative Institute, raising it to Rs. 10,000. I think, it is essential, in order to give full effect to the non-official efforts, that there should be a well-paid officer to conduct all the work under the guidance of the Committee, and I am glad to be able to say that recent conversations, which I had with the leaders of the Institute, show that they accept the proposition to appoint a qualified Secretary at headquarters and such other officers as might be required for propaganda in the Districts. On this understanding, I shall be able to give favourable consideration to even increasing the grant to the Institute, should the funds be available. In order to achieve devolution on safe lines, it was necessary to introduce measures for securing responsibility and ordered growth. The first of these was the co-ordination of the Agricultural and Co-operative Departments, which has been brought about, although there were some difficulties in the way. There is another great Department, which constantly impinges upon the welfare of the cultivators, and although the difficulties in that connection are more formidable, I trust that it may be possible to arrange for the co-ordination of irrigation work as well.

7. There is joint deliberation by the heads of the two Departments of Agriculture and Co-operation, and the next link in the shape of Divisional Boards has also been established with a non-official majority, where these Departments are equally represented; but it is necessary that we should go lower down still, and hence, we have brought into being the new scheme of Taluka Development Associations, whose business will be to examine and foster development along all lines in the Taluka, both agricultural and credit and non-credit. The details of this scheme have been explained in a recent Press Note, and some Associations have already been started with every promise of good work. I have there, again, insisted upon the employment of a paid Officer, who must be responsible for all work under the guidance of the Committee, and for this as well as other reasons Government are prepared to give a grant of a thousand rupees a year to each Association. These bodies should embrace all the activities necessary for the prosperity of the inhabitants within the Talukas and, perhaps, in them may be found the means of filling the long gap between the Financing Agency and the Co-operative Society.

8. I would now like to refer to one or two problems, which will illustrate how necessary the non-official assistance is and how broad based it should be if a large-scale progress is to be achieved. A prominent example, of course, is the old problem of the sub-division and consolidation of holdings. I am aware that the few Cultivators' joint Societies, which we are encouraging, might show some promise, and also that the experiments in consolidation by voluntary co-operative efforts on the Punjab lines might be useful, but I am convinced that even if both these methods showed great success, progress would be extraordinarily slow, and that therefore, there would be no escape from legislation if we are seriously to tackle the growing evil. I do not desire to go into the details on this question, as probably it will be before the public in a short time, I hope, in the shape of a draft Bill. I will only mention that the questionnaire, which I caused to be sent in 1918 through the Provincial Bank, gives me great hopes that the Co-operative Institutions, at any rate, will give the backing that is required. But we shall want all the non-official support that we can get.

9. It has always been recognised that if the lot of the cultivator is to be substantially improved and his full time is to be occupied, subsidiary industries must be found for him. Many attempts have been made to establish small cottage industries. Hand-weaving is the industry 'par excellence' and the idea that hand-weaving is a declining craft must be thoroughly dispelled. Far from that being the case, in spite of the severe handicaps with which it is attended, it is able to hold its own against the power-loom, and, in the volume of its product, and in the number of people to whom it even now gives employment, it is second only to the premier industry of agriculture. In 1915-16, the output of the Indian hand-loom was as great as that of the Mills, and continued to keep pace with the rapid progress of the latter. It may not be generally known that one-fourth of the total cloth consumed in India, both imported and made in the country, is woven on hand-loom, and that, although the industry received a set-back, during the war years, it has fully recovered the lost ground. It gives employment to no less than 8 lacs of people. There are 300 places in the Presidency where hand-weaving is carried on with looms, ranging from 20 to 5,000, and this position has been retained in spite of the greatest obstacles. The weaver is generally ignorant, works in dark and insanitary surrounding with a poorly equipped material, with warp of short length and, consequently, breaking threads. He is bent low by a crushing burden of debt, and, as a result of these circumstances, he is addicted to intemperate drinking. It is well-known that the yarn, which he uses is usually of very inferior quality, warping is of the most elementary character, and he does not know where to sell his cloth. The village Savakar is both his Banker as well as his purchasing and selling agent. In short, the weaver neglects the elementary principle of all business, namely, buying in the cheapest and selling in the dearest market. The wonder is that, with all these drawbacks, he manages to survive. The one thing that is required for the improvement of his condition is the organisation of his business. His salvation is in co-operation.

10 There are now 50 Weaver's Societies, chiefly for the co-operative purchase of yarn and weaving accessories and for the co-operative sale of the finest products. But the formation of those Weavers' Societies alone cannot solve the problem. What is required is that there should be co-operative stores with a fairly large capital in the centres, where hand-weaving now flourishes. These stores will know where to buy yarn, and arrangements may be made by them to deal directly with good Mills, which can be relied upon to supply the yarn of a reliable quality. Good yarn is, above all, necessary, if the production is to be increased, and if the enormous manual labour of the hand-weavers is to be lightened. The stores will also serve as centres for the sale of cloth, both locally and in the markets of consumption, for it is only with some capital at their back and the control of fairly large business that they can afford to appoint an agent or make satisfactory arrangements for sale. I am sure that the banking institutions will be prepared to finance such stores, but the latter must be run on business lines. One great difficulty that will have to be contended against financing the stores is the self-interest of the local Savakars and cloth merchants, but I feel perfectly certain that the merchants will come to realise that the stores do not mean to kill their business, and that there is sufficient public spirit in the country for the merchants themselves to take a hand in helping the

stores without necessarily sacrificing their own interests. It is here that the Co-operative Institute, through its District Branches, can be of the greatest assistance in enlisting the help of local men of influence. That the Government are anxious to help this important industry goes without saying. The Industries' Department is working whole-heartedly in this connection, but the problem is mainly one of co-operation and of non-official assistance.

11. Government have this year provided four and a half lacs of rupees for loans to Co-operative Societies under the Land Improvement Loans Act, and they desire to use more and more the co-operative agency for the grant of these loans and of the Takavi Loans as well, the object being not only to recognise the importance of the movement, but also to provide funds for long-term loans for the redemption of old debts and for the extensive schemes of land improvement. With regard to the latter, I may say that the Government are considering the appointment of a Special Officer to advise upon such things, and with regard to the former, I cannot understand why rapid progress is not made. I understand that this Conference and also the Provincial Bank intend to go into this question fully. I shall anxiously await the recommendations.

12. There is every sign that the importance of co-operation as a regenerative movement for the whole country is being better and better understood, although it is not yet appreciated to the extent one would desire, and although there are fewer persons than one would hope to see, who would be prepared to devote a regular portion of their spare time in furthering a scheme of such a national importance. I will conclude by pointing out here how valuable co-operation has proved itself throughout the world, especially as a means of national regeneration, after the devastation and economic upheaval caused by the war. In every European country, the reliance of Governments and Peoples has been placed on the co-operative movement, as the only means of bringing the economic conditions back to a secure basis. In defeated countries, the co-operative movement stands as the one defence against either absolute ruin or bloody revolution, and it has spread in those countries to an extent to which practically all agricultural and industrial activity is conducted by or through the Co-operative Societies whose number has in two or three years increased in some cases to as much as ten times of what it was before. In certain countries as, for instance, Russia and Czecho-Slovakia, membership in a co-operative society has been made compulsory on every cultivator, even on every citizen by law; and in other countries such concessions have been granted to co-operative Societies as to induce the greater part of the nation to join them. Even in the victorious countries, co-operative societies have played a leading part in the struggle against the evil effects caused by the destruction of war. In Italy, lands in private ownership which had lain fallow for centuries, have been handed over by the Officers of Government to the co-operative Societies and their members for joint cultivation, to an astounding degree. In the same country more than half of the public contracts for roads, ports, railways, buildings, and so on, are now handed over for execution by Government to similar Producers' and Labourers' Societies. The recent revolution in Italy has apparently affected the co-operative Societies, several and the Conference will be called upon to deal with a resolution on the subject, forwarded for its consideration by the International Co-operative Alliance. But in spite of this temporary set-back, it is a fact that the main economic life of Italy does now rest with

the co-operative movement. In France also the regeneration of the devastated areas is being rapidly pushed forward by the Co-operative Societies, and the cultivated fields are being consolidated and the cultivators supplied with the means of cultivation, through the co-operative Societies, many of them being formed for the purposes of joint cultivation. In England, nearly a million men are members of the co-operative Housing Societies, while more than one-third of the population feeds and clothes itself entirely from the stores and factories of the English Consumers' movement. Co-operators in India, therefore, should remember that their movement is no isolated phenomenon and no artificial creation of a philanthropic local Government. It is part of a world movement, in which one hopes to find for the whole world a way of escaping the evils of Capitalism, while preserving for humanity the advantages gained by powers over Nature, and human inventions in the way of power-engines and machinery for the community as a whole. The fact that there exists this link between the Co-operative movement in this Presidency and the co-operators throughout the civilised world, will be brought home to you at this Conference by the resolution in regard to Italy, which you will be asked to pass, and by the adhesion of the Institute to International Co-operative Alliance, which is now busy with the problem of constituting the International Co-operative Banking and International Co-operative Trade. (Cheers.)

REGISTRAR'S REPORT.

Mr. Otto Rothfeld, Registrar, Co-operative Societies, Bombay Presidency, addressed the Conference as follows :—

Mr. Chairman, Sir, Ladies and Gentlemen, the custom is for the Registrar to present a report to this Conference of the work done during the year of carrying out the resolutions of the last Conference. The report, drafted this year by the Standing Committee, is before you, and, I believe, you will not wish it to be read out again. I have also a few remarks to add of a purely formal side of the activities of the movement during the last year.

A Delegate : Copies of the report are not circulated among all the members of the Conference.

Mr. Rothfeld : Would you like the report to be read ?

The same Delegate : Yes.

Mr. Rothfeld : Very well, I will read the report. It runs as follows :—

Ladies and gentlemen, I wish only to add that during the last financial year very important bye-laws regarding the Housing Societies were drafted and promulgated, and, I think, there is no question from all that I have been able to read of similar Societies in other countries that the bye-laws that now exist for the Bombay Presidency do represent the very best model in the whole world for this particular type of Societies. They form a very simple system of one body of bye-laws which are applied to all Societies and the three accompanying sets of rules, agreements and indentures, which will suit the state of the three types of Societies, which are likely to exist in this Presidency. In addition, work was taken up, not in the last financial year, but before this Conference, of drafting a new Co-Operative Bill, and that Bill is now before the Government, and we will have it very shortly before the Legislative Council. With regard to that Bill, I wish to point

out that it, again, is in many ways an advance not only on what you had in India before, but on what is the general system in other parts of the world, in most countries of the world. There are, at least, two or three separate sets of legislation pertaining to the Co-operative movement according as there are, as you well know, three separate branches of the movement. In India it began thus. When co-operation was started here, it was entirely for agriculture, and only one Bill was drafted. The difficulty now has been of retaining the simplicity, a very valuable simplicity and of having the one Bill expanded so as to be sufficient to meet the legal requirements of different Societies of different types. It will be for the Legislative Council to decide whether or not a Bill of this nature answers the requirements of Law and, if I may add, meets with their approval. I think you will have in your hands for the co-operators of this Presidency in future a measure of law which will combine direct simplicity with lucidity. It will contain provisions to meet the extremely rapid developing requirements of industrial and housing societies. I would like to add that in the new Bill steps have been taken to meet the desire of a very large number of Co-operators in this presidency, may I add, unfortunately, for having greater quickness in regard to the execution of arbitration proceedings. It will come before Government for final consideration. I would like to add, before I pass from that, that, although I myself am responsible for drafting this particular provision, and am quite ready to bear the responsibility of having done so yet it is with considerable regret that I did so only in deference to the almost unanimous expression of the wishes of the Co-operators in this Presidency. I notice that in the agenda for this particular Conference there are several notes with regard to arbitration, and I wish to beg of the gentlemen who put in those notes before the Sub-Committees which are going to deal with them, to consider, before they decide the question, certain rather serious considerations which militate against several of their suggestions and against the provisions already included in the Draft Bill. The whole idea of the co-operative movement, especially in agricultural areas, implies mutual trust, comprehension of co-operative principle and also comprehension of the fact that everything in Societies belongs to every member of the village. I believe, therefore, any effort for re-paying money of the Societies is not analogous to the duty of re-paying money-lenders. The process of carelessly giving away money does not mean only the abuse of one's talents and intelligence but an actual theft from another person in the same position. It follows that if in any Society there are more than one or two such cases, then that Society is actually a failure, and it is of a very doubtful benefit indeed to gloss over that failure or to smooth it away, or to get over it by providing a facile remedy for forcing collections. The proper remedy would be instruction as the easiest method of collection. I wish to emphasise that point particularly, because I see the matter is going to be discussed, and I am convinced from what I have seen lately that there is a tendency, on the one hand, for incautious and lavish dispersal of loan-money, and, on the other hand, for seeking to use a royal road for recovery by outside methods such as legislation, instead of by the inside method, such as instruction. This has been only too common not only in this Presidency but throughout India, and is undoubtedly a most serious danger in front of the movement. The Arbitration Sections, as you are all aware were originally intended to provide a right method of settlement of real disputes between two members of a Society or two Societies, but I venture to say that in the course of the whole year the number of *real* disputes, which were referred to

arbitration, did not exceed half a dozen in the whole Presidency. The rest of the cases were what the original section was never intended to cover. They were cases of persons who owed money and have not paid it. The fact that they did not owe money is not denied. The cases are due to that fact and not to any disagreement. The fact is that the money is not paid in these cases and they are treated as the subject of disputes, and the section is made use of for the purpose of the summary recovery of the money. In this Presidency, last year, there were 1,600 such arbitration cases, whereas I should say that, taking a very generous view of the possibility of a gross abuse of this section, there ought not to have been more than 200 cases. In the Province of Sindh, where greater trouble has been taken in the direction of instruction, and where, from their very character and other circumstances, people hang together—cultivators hang together—much more than in other parts of the Presidency, I think I am right in saying that there were not even a dozen cases in all. It means that out of 1,600 cases coming from the entire Presidency the number of cases was to an overwhelming extent from the unfortunately backward province of the Deccan. In Madras, from his last report, the Registrar appears to be faced with an aggravated situation. He speaks in his report of 14,000 arbitration cases that were treated in the course of the year. What I am afraid of is similar laxity here in regard to the observance of this section. In the deliberations of your Sub-Committees in this Conference, I would request you, all the delegates, to bear in mind the need for great, almost excessive, business caution in every matter connected with the co-operative movement. The co-operative movement has to face great enemies of varied kinds. I can assure you, gentlemen, that as far as I am concerned I consider the most serious enemies of the movement—far more serious than any joint stock Banks—are Philanthropy and Sentimentality. There is far too much of a tendency to deplore the state of poor cultivators of uneconomical cultivators, and in consequence there is a risk of giving them money which has been earned, hard-earned, by another man who is really economical. The economical cultivators', the hard-working cultivators' money is deposited in the District Banks. I know I am perfectly aware of the fact that I expose myself to attack as being unduly concerned with this matter. I am quite aware of the fact that there are many connected with the co-operative movement who would no doubt in general say that I show myself timid—even reactionary—but I may say this, I would impress this fact—that the movement was essentially based in India on credit. Its merit lies in soundness and care of credit. I do not object at all if I am called conservative and if my counsels are regarded as merely those of a sundried bureaucrat (Laughter), but I consider it my duty to emphasise once again that in their deliberations the Sub-Committees which will deal with this matter and with all these matters, ought to remember that all depends upon finance and that the one thing they must place before their eyes is this that at this stage of the movement it is necessary to devote any amount of attention to supervision and instruction. Is it safe, is it sound to go further or is it better to stay, to wait a few years, for the world is not coming to an end as far as we know? (Laughter.) It may be ten years, that you will have to wait before you have got a full system of compulsory primary education. Take things slowly and be sure that the Bombay Presidency will occupy a position which will be soundest among other Presidencies in India. The Hon. Minister has already quoted figures and drawn an eloquent and interesting comparison between the state of things in the Bombay Presidency and in other parts of India.

I would remind you also further that a Deputation of co-operators from Burmah which travelled throughout India last year and published their report, have given this Presidency an extremely interesting and valuable certificate in this respect, and I may also without a breach of confidence add that I had some similar remarks made to me very recently both by the Registrar of Bengal and the Deputy Registrar of the Punjab. We, however, have our faults; our movement has its faults. I have pointed out in my annual report that there are alarming elements—two alarming features to deal with, namely, the increasing overdues, and the still more distressing increase in cases of dishonesty, but after all is said and done, we do stand at the present moment for a sound and safe principle. Do not, in anyway, abandon that principle. If I may expose myself to attack as a conservative, I trust I may, perhaps, to some extent, escape the reproach with regard to my attitude connected with other activities, such as the Sales Societies, or the Producers' Societies. In this case I should like to say let every possible progress be made, every possible risk be run. Start a Sale Society. Try it. It is a business concern. It is a Trading concern. If it fails, at the most some people will lose their share capital, some part of their share capital. It is not a very heavy loss. It will never do very serious harm, it will not hurt the movement, whereas, if it succeeds, you have done something, you have done some immeasurable good to the cultivators. Try the thing. It can accomplish a great good, if successful; it can do little harm, if it fails. Similarly, about Producers' Societies. We want them. The Exhibition, which you are going to see, will also form a further stimulus towards organising Producers' Societies. Develop Producers' Societies. It is perfectly possible to run the risk and to go ahead and to try once more to throw the dice, and either lose or gain. But do not tamper with the essential financial and banking element on which the whole thing must rest. As regards the question of Debt Redemption, I would particularly request you to study the very interesting figures of the Madras Presidency, before you come to any decision with regard to this business in the Sub-Committee. In the course of a few hours last night I silently watched and thought of what I could possibly say to this meeting. There were some other points, which I had intended to dwell upon, but unfortunately for me and fortunately for the assembly, the Hon. Minister has already touched on them. He has not only touched on them, but carefully and eloquently analysed them, all the points which had struck me. He has, therefore, left nothing for me to add except to request you once again to pay the utmost attention to the thoughts and words of the Hon. Minister on the necessity of moral teaching and discipline. Those are the qualities on which the co-operative movement must base itself in the future. The Minister has rightly said that the world-movement is of the utmost importance to the economic future of this country, and now that this Presidency will be watched through the International Co-operative Alliance co-operating with every other country, I trust that we shall do our part in keeping before ourselves always the standard of moral improvement and moral discipline. (Cheers.)

Roa Bahadur S. S. Talmaki, Hon. Secretary, Bombay Central Co-operative Institute, addressed the Conference as follows :—

Mr. President, ladies and gentlemen, I have very little to add to the report which has been read out to you by Mr. Otto Rothfeld and which summarises the action taken on the Resolutions of last year's Conference. The work in connection

with those resolutions was partly shared by the Institute and partly by the Registrar's Department and the Central Bank. The Institute's share of work was done last year largely from the Head Office in Bombay, and now that the branches have come into their own and they are in a position to do their bit, it is expected that a larger share of the work in future years would devolve upon their shoulders, to be executed in conformity with the general policy and broad outlines laid down by the Head Office. In this connection we have to bear in mind, whether the work is to be directed from the Head Office or done by the branches, its prompt and effective execution must depend on the active support derived from the local workers. No doubt, some part of the work, especially the routine work, will have to be done by a paid staff but the intelligent part of the work, such as organisation, education, deliberation, advice and guidance and similar other important work, will have to be done by the honorary workers. Consequently, it is very essential that we should have at our back as many workers at each of these branches as possible. In the matter of honorary workers, we may count upon the Honorary Organisers' Department and with the help of the experience they have at their back, I am sure, they will do their best to render assistance in the work of this Institute as far as they can. There are besides, numerous educated people spread over the whole Presidency, and if they will devote a portion of their leisure to the work of this Institute, I am sure, the movement will be made much more popular and successful than it is today. The work of this Institute, ladies and gentlemen, is growing apace, and to make it efficient and effective, it is necessary that we should have help from every quarter possible. I, therefore, would appeal to all the educated gentlemen in this City as well as all over the Presidency to join the Institute and make the co-operative movement, extended for the uplift of the masses a continued success. (Cheers.)

Ladies and gentlemen, I am now reading out the names of the candidates who have won certificates and also prizes in the last examination of the English Training Class in Co-operation. (R. B. Talmaki reads the names as follows:—)

First Class.

Rama Menon V. K. *First Prize* Dwivedi B. M. *Second Prize*

Second Class.

Anant Narayan K. S.	Krishnamchari V.
Chirputkar B. D.	Mahadevia G. G.
Gandhi M. H.	Nair P. R.
Kancharla B. J.	Bhide R. K.

Bhat K. N.

Pass Class.

Alurkar. V. G.	Mehta G. N.
Ambegaonkar J. N.	Nayar T. K. K.
Desai M. D.	Patwardhan V. R.
Gazdar M. J.	Ramasubbain S.
Jaini Thackordas	Taraporewala G. A.
Korah P. M.	Vandayar J. K. N.

Shiek Nizamuddin.

The President handed over the certificates and prizes to the candidates.

Prof. KAJI'S SPEECH.

Prof. H. L. Kaji addressed the Conference as follows:—

Mr. Chairman, ladies and gentlemen, in requesting the Hon. President of our Conference to open the Co-operative Products Exhibition, permit me to offer a few remarks of an explanatory and introductory character. In one of the meetings of the Conference Committee, the idea arose that an ocular demonstration of the results of the co-operative movement in the shape of an Exhibition of Co-operative Products, in connection with our Provincial Conference, would be a very desirable feature and useful extension of our efforts towards co-operative propaganda, towards popularisation of the co-operative movement and towards co-operative education. By Co-operative products it was then understood the products turned out by the Producers' Societies, i. e., the Societies of industrial workers only in the presidency of Bombay. In view, however, of the fact that in this Presidency we have got a small number of such Societies, it was considered desirable to request the other Provinces of India to join us and help us to organise an all-India Exhibition of Co-operative products. Even then the Committee thought that strictly restricting the scope of the Exhibition to the Producers' Societies alone would exclude Co-operative Housing a peculiar feature of the Bombay Co-operative effort and would also exclude the products turned out by artisans financed by Co-operative Societies. Accordingly it was resolved by the Committee to invite exhibits from all the Provinces of India and from the Co-operative Societies of all types, Resource Societies, Housing Societies, Labourers' Societies, as well as Industrial Societies. The work began; circular letters were sent round; and the Registrars were requested to conquer the inertia of Co-operative Societies, which unfortunately do not very well realise the stimulating and educative and advertising influences of an exhibition; all this was done, but unfortunately without making effective provision for financing the exhibition. There was inexperience of the organisers of the exhibition in this direction, in the first instance; then, there was little time at their disposal, and, thirdly, there was the uncertainty of finance. Efforts were being made about this time for an Institute Building in memory of that great co-operator — Sir Vithaldas; purse-strings were being unloosened for the Red Cross Fete; Co-operative Societies were not rich enough; and the Government was thinking of retrenchment. The Weavers' Guild Fund, however, came to our rescue with a handsome donation at last, for which indeed our best thanks are due to the Trustees — Mr. Rothfeld and the Collector of Sholapur. Sir Fazulbhoj Currimbhoj, whose sympathy for the Co-operative movement is well-known and whose efforts towards Welfare Work for his employees are embodied in the Sir Currimbhoj Ebrahim Workmen's Institute, came round too with another handsome donation. Besides, several leading co-operators, with lean purses but big hearts, as they generally always are, also started a subscription list, while the Provincial Bank and the Central Co-operative Institute have given a guarantee for any deficit. We, of course, hope for a good round sum as entrance money. The promenaders of the Esplanade Band Stand might well miss their way into our Exhibition, and our Delegates and visitors will doubtless patronise us, the Volunteers being quite ready to be at their elbow to assist them in doing so and in unburdening them of their cash. (Laughter.) The help, ladies and gentlemen, came late. It came late though not too late except in

the case of distant provinces like Behar and Kashmir, the latter being willing to exhibit fine wood-engraving-decorative work. In all, ladies and gentlemen, we have been able to secure about 3,500 exhibits from about 100 Societies. All the Divisions of Bombay-B. D., C. D., S. D., and N. D., and Sind are represented, of course. H. E. H. the Nizam's Dominions also play no small part in the Exhibition. Mysore with its sandal wood-work is there. The Punjab with its *loon-gies* and silk and cotton fabrics has co-operated with us, and even Madras and Lucknow (U. P.) have been able to send us a few exhibits. The exhibition I venture to hope, will be found in quality, quantity, and variety, such as to give you, as co-operators, some satisfaction at least. We have woven fabrics, we have leather goods, silver and gold ornaments, sandal-wood work, glass-work, soap--co-operative soap, of course (Laughter), foundry products, photographs, plans of co-operative houses and so on. Several workers have assisted us materially, and invidious as it always is, I still cannot but mention the help which Mr. G. S. Ranade, the Proprietor of the Bombay Commercial Museum, Thakurdwar, (which is a very fine institution), has ungrudgingly given us in arranging the exhibition, also the help which the new Industrial Organiser, Mr. F. V. Shah, has given us, particularly by collecting around him an enthusiastic band of volunteers, who, I trust, are budding co-operators, and further the help given us by the Co-operative Department, from the Registrar and his Bombay Assistant downwards. I now request you, Sir, on behalf of my Exhibition Committee, to declare the Exhibition open. (Loud cheers.)

The President in declaring the Exhibition open said as follows:—

Ladies and Gentlemen, I do not think any words from me are necessary to commend this exhibition to you. I believe that the personal visit to that exhibition will have a better effect upon your minds than any speech that I can make. You have heard Professor Kaji and I would request you to pay a visit to the Red Crose Fete to which he has referred. In visiting that Fete, I ask you to visit the hand-weaving stall which is opened there. Thereby, you will be killing two birds with one stone, namely, helping the Fete and showing your interest in hand-weaving. I now declare the Exhibition open. (Loud cheers.)

Rao Bahadur S. S. Talmaki.

Ladies and gentlemen, we will now proceed to move the appointment of Sub-Committees. For that appointment, so far as it was possible for us to do, we have got lists prepared, printed and circulated. I hope the lists will be approved of. If in any of these lists any names do not appear that should be there, you are welcomed to suggest them. The Sub-Committees will meet in the Elphinstone College, next door, at 2-30 p. m. to day. (Cheers.)

The Chairman. I have to make it clear that the meetings of the Sub-Committees will begin at 2-30 p. m. to-day in the Elphinstone College, in its different classes.

The Conference adjourned for the day and the assembly visited the Exhibition Rooms.

Work of the Sub-Committees.

The following instructions were issued to the Sub-Committees.

Instructions to Sub-Committees.

1. Delegates or Guests, whose names do not appear in the printed lists, but who are desirous of sitting on any Sub-Committees are requested to give their names to the Honorary Secretary of the Institute.

2. Guests may attend any Sub-Committees and take part in the discussion, but shall not vote.

3. Each Sub-Committee shall appoint its own Chairman.

4. If a Sub-Committee is of opinion that any of the questions referred to it cannot be fully discussed within the time allowed, it may recommend that its consideration be deferred or that it be considered by the Standing Committee of the Institute or by a Special Committee appointed by the Conference with directions to make a report within a specified time.

5. The Chairman of the Sub-Committee shall *hand over the report and resolution of his Sub-Committee by 5-30 p. m.*, legibly written and signed by him.

6. The Chairman of each Sub-Committee shall place his report and resolutions before the Conference or may appoint one of the Members of the Sub-Committee to do so. Each Sub-Committee may recommend names of speakers to their reports.

7. Printed copies of the reports and resolutions of the Sub-Committees will be available at 8 A. M. on Monday, the 11th instant at the Servants of India Society's Home, Sandhurst Road, and at the Conference Hall at 10 A. M.

The Sub-Committees assembled according to the printed programme for the discussion of the business referred to them at 2-30 p. m. on Sunday the 10th December 1922, and finished their sittings at 5-30 p. m. on the same day. The following is the list of subjects and of the written notes placed before the Sub-Committees for considerations.

Subjects placed before the Sub-Committees for discussion at the Provincial Co-operative Conference held in December 1922.

I.—Resource movement—

1. Primary Societies.

(i) Rural—Debt Redemption.

Difficulties experienced in undertaking schemes of debt-redemption in view of conditions imposed on advances by Central Banks and the Department. Suggestions for a regular programme for redemption of debts of members in good societies.

(ii) Urban.

(No subject suggested.)

2. Central Agencies.

(i) Central Banks.

- (a) Necessity of increased inspection by District Banks and levy of inspection charges from the borrowing societies in proportion either to their borrowing or their working capital.
- (b) Advisability of raising the maximum limit of borrowings from 8 times to 12 times the paid up Share Capital and Reserve fund.
- (c) Discounting of Bills and steps to be undertaken by District and Urban Banks to facilitate conduct of Cheque and Bill of exchange business without depending on R. T. B's.

(ii) Unions.

- (a) The desirability of having Supervising Unions in addition to or in supersession of Guaranteeing Unions in the Presidency.

(iii) Provincial Bank. (No Subject suggested.)

3. General aspects and other problems.

- (a) Well-managed credit societies should be allowed to undertake functions other than credit in a manner that does not involve any liability on the Society.
- (b) Methods of meeting difficulties felt in organising and financing co-operative sale of agricultural produce.

II.—Agricultural Co-operation—

- (a) Co-operative Consolidation of Holdings.
- (b) Joint cultivation societies, as a means of dealing with the problems of sub-division of lands, the carrying out of improvements, and the re-establishment of credit in famine tract.
- (c) The necessity of formation of pumping and tank societies. The desirability of carrying on the work of distribution of water discharged by canal into distributories through co-operative societies of irrigators or the village panchayats instead of through the Irrigation Department.
- (d) Government should be moved either to make grant to cattle-insurance societies equal to the subscriptions collected by members to undertake payment of a part of the assured amount.
- (e) Deputation of experienced officers from the Agricultural Department for guidance and supervision of Cotton Sale Societies in Gujrat.

- (f) How to bring about practical co-ordination between the Taluka Co-operative Development Committee and the newly created Divisional Boards; whether they should be managed together or whether it is desirable to have the latter registered under any Act.
- (g) Organization of industries allied to agriculture.
- (h) Co-operative Cotton Sale Societies.

III.—Producers' Movement—

- (a) Appointment of a Committee of Co-operative workers for touring through the Presidency with a view to organize small-scale industries.
- (b) Necessity of having Co-operative Gins, Presses and Mills. (The main principles that should guide the organisation of co-operative mills so as to prevent clash of interest between Labour and Capital and the predominance of one class of members.)
- (c) Appointment of a Committee for selection of areas suitable for Labour societies and the deputation of special persons to start propaganda for such societies.
- (d) Financing of Producers' Societies.
- (e) Co-operative Printing Press.

IV.—Consumers' Societies—

1. Stores.

- (a) Buying clubs independent or as part of the organisation of the present Credit Societies with different accounts.
- (b) Suggestion for the formation of a Central Information Bureau for existing Store Societies.
- (c) Recommendation for the supervision and audit of the stores.

2. Housing.

- (a) Possibility of providing housing for the working classes on co-operative lines.
- (b) Rural housing.

V.—Policy and Propaganda—

1. Development of Institute's work.

- (a) What work can the Branches of the Institute undertake to improve the general management of societies especially in reducing overdues.

2. Registrar's Department.

(i) Policy.

- (a) Appointment of a Committee of Economic enquiry in rural societies;

- (ii) Administration.
- (a) Change in co-operative year.
- (b) Methods to remove difficulties in the way of organisation of societies in Talukdari and Mewasi villages and in Agency areas.

VI.—Legal matters—

- (a) Need of a change in legislation invalidating mortgage or sale of his property by a borrowing member of a society without sanction of that Society. (Note:—The Committee of Legal Advice of the Institute is of opinion that such legislation would not be allowed.)
- (b) Modification of Arbitration procedure. The desirability of appointing an officer for the execution of Liquidation and Arbitrators' decrees. Appointing of permanent arbitration courts by the Registrar. Execution of awards through the Revenue authorities. How to ensure execution of decrees by managing committees. The Assistant Registrars should be empowered to issue warrants for execution to Chairman of Societies or to other persons and should be deemed to be public servants within the meaning of Section 21 of I, P. C.

REPORTS OF SUB-COMMITTEES.

Sub-Committee No. 1.

MEMBERS PRESENT.

Rao Bahadur G. K. Chitale, <i>Chairman.</i>	Mr. D. K. Hosmani.
Rao Bahadur A. U. Malji.	Mr. Otto Rothfeld.
Rao Bahadur R. G. Naik.	Mr. V. P. Chaude.
Mr. K. G. Palkar.	Mr. S. N. Keshwain.
Mr. C. H. Desai.	Mr. S. B. Hiregauda.
Mr. V. L. Metha.	Mr. B. D. Dabke.
Mr. P. K. Jambhekar.	Mr. T. S. Parikh.
Mr. R. D. Kvnani.	Mr. G. R. Patel.
Mr. C. P. Shah.	Mr. R. N. Trivedi.
Mr. H. V. Tulpule.	Mr. V. D. Deshmukh.
Rao Saheb K. R. Walvekar.	Mr. S. Y. Sontakke.
Rao Saheb G. G. Kale.	Mr. D. M. Nagle.
Mr. V. C. Jadhav.	Mr. G. N. Metha.
Mr. B. B. Shroff.	Mr. V. S. Dhapre.
Dewan Bahadur S. V. Mensinkai.	Prof. R. M. Joshi.
Mr. S. T. Urali.	The Assistant Registrar, C. S., Hyderabad (Deccan).
Mr. B. K. Rashinkar.	Mr. S. V. Shashital.
Mr. J. B. Dharwadkar.	Mr. E. A. Shah.
Prof. C. A. Buch.	Mr. S. G. Devrukhkar.
Mr. R. B. Patel.	Rao Bahadur G. V. Joglekar.
Mr. V. K. Sanjanwalla.	

Resolution I. This conference is of opinion that time is not yet ripe for devising any comprehensive scheme of debt redemption for all, or any group of primary societies but it sees no objection to any primary society going in for a debt redemption scheme from its own normal working capital.

Resolution II. A Central Bank shall not incur liabilities uncovered by gilt-edged security beyond eight times the share capital and reserve fund, but for the purposes of this rule, gilt-edged securities owned by District Bank, and lodged with the Provincial Bank shall be treated as equivalent to assets.

Resolution III. This conference accepts the recommendations pertaining to the provision of sufficient inspection, and the levy of inspection fees from primary societies, made by the Conference of the Representatives of Central Banks held at Poona on the 20th September, 1922.

Resolution IV. This conference accepts the suggestion regarding concessions by Government for transmission of funds of registered societies, and the extension of the internal arrangements for remittance made by the Committee appointed for the purpose by the Conference of the Representatives of the Central Banks held at Poona on the 20th September, 1922.

Resolution V. This conference recommends that a Committee consisting of the following be appointed to consider and report to the Registrar and the Institute within two months on the subject on the desirability of having Supervising Unions in addition to or in supersession of Guaranteeing Unions:—

- (1) The Hon'ble Mr. Lalubhai Samaldas,
- (2) Mr. Otto Rothfeld,
- (3) Mr. B. K. Rashinkar of Tembhorni,
- (4) Mr. V. L. Mehta,
- (5) Mr. D. A. Shah.

NOTE—The notes on "general aspects and other problems" could not be discussed for want of time.

Sub-Committee No II.

MEMBERS PRESENT.

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|---|-----------------------------------|
| 1. Dr. H. H. Mann, <i>Chairman.</i> | 7. Mr. S. R. Kulkarni. |
| 2. Khan Saheb Azim Khan. | 8. Mr. G. R. Honap. |
| 3. Mr. B. F. Madon. | 9. Mr. M. C. Kelkar. |
| 4. Rao Bahadur Ragavendra Rao
Khembhavi. | 10. Mr. Sevaklal D. |
| 5. Mr. Keshavlal Bababhai. | 11. Mr. N. P. Surnis. |
| 6. Mr. P. T. Mudaraddi. | 12. Mr. Narbharam Kirparam Desai. |

RESOLUTIONS.

Co-operative consolidation of holdings.

1. The Committee is of opinion that the consolidation of agricultural holdings is a matter of such importance in any effort to improve the condition of the rural population, that the energy of the co-operative movement can well be

devoted to bringing about such consolidation by mutual consent wherever possible. This is more difficult in the Deccan, Konkan, and Southern Division on account of the extreme variation of the land, than in Gujarat and Sind; but every effort should be made in this direction.

2. The Punjab system of voluntary co-operative societies for the purpose should be tried in a number of villages, if the people can be got to agree to this. But to bring this about will need very vigorous propaganda.

3. The whole question of economic cultivation would be much simplified if co-operative farming could be extensively undertaken without interfering with actual ownership. Every effort should be made to obtain examples of such co-operative farming.

4. Beyond this is suggested that an enabling law should be passed so that on the application of the owners of 75 per cent. of the land in a village, the consolidation of the land should be undertaken and the scheme should be carried out subject to the consent of the owners of 75 per cent. of such land to the scheme suggested.

5. That with regard to the prevention of future sub-division and fragmentation, after such consolidation has been carried out the subject should be investigated by the Central Co-operative Institute through the primary societies affiliated to it with a view to exploring the scheme which would prove most acceptable to the rural communities.

6. That the question of consolidation need not wait for a decision on the question of the prevention of future sub-division.

II. Co-operative Cultivation Societies.

1. The Committee desires to reiterate the resolution approved by the Conference last year. (see page 55 of the Conference Report) recommending the formation of joint cultivation societies and note with satisfaction the temporary experiments made in this direction.

2. The experiment at Bhamhora (see Dr. Mann's note) based on the lease of land to an unlimited co-operative society for ten years and then cultivation of the land by individual cultivators on a *batai* system the society supplying finance, bullocks, and seed especially and undertaking permanent improvements is worthy of consideration in the dry tracts. Such societies can probably be extended in such areas, the Committee would commend them to the consideration of co-operators generally.

3. The experiment at Arjunsonda (Sholapur) of a limited co-operative cultivation Society with a share capital—is also worthy of attention. In this case the society is in the nature of a limited company, the lands being leased to the society for twenty years. It is managed as a whole, but the owners have a share in the profits. It depends very largely on capable management by the Managing Committee, but the attention of the co-operators may well be called to it.

4. The Committee do not consider that these two types of society are the only ones likely to be successful and would recommend the encouragement of

experiment in societies organised on other systems. One or two other schemes were placed before the Committee.

5. Where such societies are formed, the Committee is of opinion that appliances such as pumps and oil engines belonging to the Agricultural Department should be lent by preference to them.

III. Tank Societies.

The Committee endorses the proposal by Mr. Huli that Government should be requested to hand over the second class irrigation tanks to the villagers concerned if they form a co-operative irrigation tank society and the amount of charges for repairs if collected by Government for the agriculturists should be given to the respective irrigation societies if they undertake to repair.

IV. Irrigation Societies.

The Committee considers that it is desirable that the work of distribution of water discharged by canals into distributories should be entrusted to Co-operative Societies of irrigators instead of as at present to the Irrigation Department.

V. Cattle Insurance.

The Committee recommends that the question raised as to cattle insurance be referred to the Provincial Conference Committee for report to the next year's Conference.

VI. Taluka Development Associations.

The Committee recommends that the following resolutions of the Belgaum Conference on this subject be adopted.

Co-operative Taluka Association.

1. This Conference resolves that the Taluka Development Committees, and the local bodies contemplated by Government for the development of Agriculture in a Taluka should be combined and only one body for propaganda should exist in each Taluka.

2. That bodies of the combined type should be formed wherever co-operative agricultural effort has created a demand for development, and that membership should not be entirely restricted to co-operative societies though in most cases it will chiefly consist of these and that co-operative societies should be recommended to lay aside a portion of their reserve fund for their support where they are able to do so.

Moved by Mr. C. B. Huli, seconded by Rao Saheb Inamati.

Sub-Committee No. III.

MEMBERS PRESENT

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| 1. Mr. F. T. Nalvadi. (Dharwar),
<i>Chairman.</i> | 5. Mr. L. S. Potnis (Bombay.) |
| 2. Mr. F. G. Ginwalla. | 6. „ Macmillan, I.C.S. „ |
| 3. „ Gokhale, Dy. Director of Agri-
culture (Ratnagiri). | 7. „ J. C. Nanavati, „ |
| 4. Mr. R. N. Mehta, (Bombay). | 8. „ C. S. Deole, „ |
| | 9. The Director of Industries, (Mr.
R. D. Bell, I. C. S.) Bombay. |

RESOLUTION No. 1.

1. In the opinion of this Conference Producers' Societies should ultimately be financed by a special agency. Meanwhile until the demand for financial aid is sufficient to justify the establishment of a special Bank or Banks, local, urban and district banks should be encouraged to finance Producers' Societies.

Proposed by Mr. F. T. Nalvadi and seconded by Mr. C. S. Deole.

2. As the Committee cannot come to any definite conclusion after much discussion, Mr. Potnis' paper (III-A) should be referred to the Central Co-operative Institute for opinion.

3. As the subject dealt with in paper (III-E.) namely "Printing Press for Co-operative Societies" is still in its experimental stage it may be tried in the Division where the necessity is felt and the recommendation may be made after it is sufficiently tried. The subject is, therefore, dropped for the present for deliberation by the Conference.

4. Mr. Potnis' paper as regards "Labourers' Societies" was read and considered and it was resolved that it should be referred to the Standing Committee of the Bombay Central Co-operative Institute.

RESOLUTION No. 2.

This Conference recommends that Co-operative Societies for the manufacturing works such as gins, presses and mills should make necessary provision to allow labourers to share in the raising of capital, administration and in the division of profits.

Proposed by Mr. F. T. Nalvadi and seconded by Mr. R. N. Mehta.

Sub-Committee No. IV.

MEMBERS PRESENT

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| 1. Mr. V. H. Naik, <i>Chairman.</i> | 7. Mr. N. P. Bhagwat. |
| 2. Prof. H. L. Kaji. | 8. " L. V. Kaikini. |
| 3. Mr. H. G. Zaveri. | 9. " G. S. Dandavate. |
| 4. " J. M. Thakore. | 10. " K. N. R. Ranina. |
| 5. " Minochehr J. S. Kharas. | 11. " S. N. Hate. |
| 6. " C. B. Khora. | 12. Rao Saheb K. H. Gokhale. |

RESOLUTIONS.

1. This Conference resolves that as a training in Consumers' Co-operation and a preliminary step to the formation of regular Co-operative stores, buying clubs or associations be actively promoted as unregistered bodies by the Co-operative Department and the Central Co-operative Institute. This Conference also resolves that existing credit societies should be allowed with the approval of the Registrar to work as buying clubs for the supply of household and other requirements of their members strictly on an indent basis, provided however, that the cash balances of such credit societies are not involved in the business thus undertaken.

2. This Conference resolves that the Bombay Central Co-operative Institute be requested to appoint a special paid officer to collect informations about market rates of prices useful to consumers' Societies and to supply the informations so collected to the affiliated societies and buying clubs whenever required and periodically.

3. This Conference resolves that the Registrar be requested to undertake free audit of Co-operative stores Societies with a working capital not exceeding Rs. 10,000.

4. This Conference resolves that housing societies for rural areas should be started on the lines suggested in Mr. V. H. Naik's note.

5. This Conference resolves that central Co-operative financing agencies be requested to consider the advisability of granting financial aid to housing societies as to other societies.

6. This Conference resolves that all housing societies should fix 998 years as the period of lease on which lands and buildings may be leased to members.

Names of speakers on the resolutions recommended by the Sub-Committee.

Resolution No. I.	Mr. V. H. Naik, M.A., Bar-at-Law. Prof. H. L. Kaji, M.A., I. E. S. Rao Saheb K. H. Gokhale.
Resolution No. II.	Mr. N. P. Bhagwat. Prof. H. L. Kaji, M. A.
Resolution No. III.	Mr. K. N. R. Ranina.
Resolution No. IV.	„ Minochehr J. S. Kharas, F. S. S. „ C. B. Khora. „ J. M. Thakore.
Resolution No. V.	Do.
Resolution No. VI.	Do.

Sub-Committee No. V.

MEMBERS PRESENT

1. Mr. N. M. Joshi, <i>Chairman</i> .	12. Mr. M. M. Sakre.
2. „ K. B. Bhadrapur.	13. „ M. R. Tarkunde.
3. „ Palekar.	14. „ S. H. Talvalkar.
4. „ C. B. Huli.	15. „ Y. R. Muzumdar.
5. „ N. V. Naik.	16. „ A. P. Monta, B. A., LL. B.
6. Rao Bahadur S. S. Talmaki.	17. „ Narottamdas Tribhovandas
7. Mr. M. J. Antia.	18. „ D. V. Pradban.
8. „ K. G. Palker.	19. „ R. N. Mehta.
9. „ H. R. Thanabi.	20. „ M. Y. Joshi.
10. „ Jal Mancherji.	21. „ R. B. Hivargaonkar.
11. „ Kevalram.	

RESOLUTIONS.

The Committee considered the papers referred to it and recommends the following resolutions for adoption by the Conference:—

1. "That the paper of the development of the work of the Bombay Central Co-operative Institute by Mr. B. N. Mehta be referred to the Institute for recommendation and such action as the Institute may deem proper after consultation with the co-operative organisations concerned."

2. "That in order to help the work of overcoming the growing evils of mismanagement and accumulation of overdues in Village Societies, the Branches of the Institute should draw up a regular programme of instruction and propaganda beginning especially with societies classed C and D and conduct it by well-educated and well paid secretaries under the guidance of Managing Committees and Honorary Organisers who should fit in their own programme with the tour of the Secretaries and draw up sketch lectures."

3. "That the suggestions contained in paras 1 and 2 of the paper by Mr. K. B. Bhadrapur are generally approved and the Committee recommends that the Institute and the Government should join hands in engaging the services of competent and experienced co-operators to write books on co-operation in the vernaculars of the Presidency."

4. "That the report made by the Committee appointed by the last Conference (1921) to consider the transference of the functions of the Registrar be approved."

Sub-Committee No. VI.

MEMBERS PRESENT

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| 1. Mr. G. P. Murdeshwar, <i>Chairman.</i> | 4. Mr. S. N. Karnad. |
| 2. Mr. Natwarlal M. Desai. | 5. Mr. P. S. Banatwala. |
| 3. Mr. D. L. Umarwadia. | 8. Mr. M. A. Awan. |

RESOLUTIONS.

1. Resolved that in the opinion of this sub-committee legislation invalidating alienations of property by borrowing members of a society without the sanctions of such society is unnecessary.

2. Resolved that this sub-committee is of opinion that as the law stands at present no special provision for the enforcement of *ex parte* award in foreign territory can possibly be made.

3. Resolved that the provisions of the Civil Procedure Code regarding service of summons be incorporated in the Arbitration Rules in addition to the existing provisions.

4. With reference to the suggestions made in connection with the appointment of an officer to execute decrees of liquidators and arbitrators, the appointment of permanent arbitrators for each district, and the modification of arbitration procedure generally, resolved that in view of the importance and the complicated nature of the matters in question and also in view of the insufficiency of time at the disposal of the sub-committee, a recommendation be made to the Conference that the questions be referred to a special committee consisting of Rao Bahadur Malji, Messrs. G. P. Murdeshwar, Natwarlal M. Desai, D. L. Umarwadia, P. S. Banatwala and others to be named at the Conference with a request that a report be submitted at an early date to the standing committee of the Institute for necessary action.

N. B. Resolved that the above resolutions be placed before the Conference by the chairman or in his absence by Mr. H. P. Banatwala and that Mr. D. L. Umarwadia be requested to speak on the report.

PROCEEDINGS OF THE SECOND DAY.

Monday 11th December, 1912. (11-30 a. m.)

Mr. DEVADHAR, PRESIDENT FOR THE DAY.

Mr. G. K. Devadhar in opening the proceedings said as follows:—

Gentlemen, as the President of the Conference, the Hon. Mr. C. V. Mehta is unable to attend the Conference to-day, as there is a meeting of the Bombay Legislative Council for him to attend, I am, in his absence, asked to take the chair. I think, gentlemen, we should at once begin our work. Before we proceed to deal with the draft resolutions passed by the several Committees, I would like to refer first to the three resolutions to the subject matter of which a reference was made by me in my yesterday's speech. The first resolution would be about the sad death of Sir Vithaldas D. Thackersey and the loss we have sustained. It is a heavy loss and before this Conference some of our friends will be called to speak to that resolution as they were unable to speak at the crowded public meeting that was held in this very hall in the month of September last. The second resolution will be about the memorial movement and that resolution also will be spoken to by some of the leading friends, who were not able to attend the September meeting. There will be also a third resolution to be spoken to. It will be moved from the Chair. It will refer to the subject to which reference was made also in my yesterdays' speech. I am speaking to the question with regard to the great havoc that has been worked out by the Fascisti Movement in Italy. To the members of the Co-operative organisations and also to a very-large number of the Co-operators that subject is of a very great importance. I would now call upon Mr. Bulchand of Hyderabad to move the first resolution.

RESOLUTION NO. I.

Mr. K. Bulchand of Hyderabad, in moving the first resolution said.

Mr. President, ladies and gentlemen, I consider it a great honour to be asked to move this resolution. I am sorry that many of us were not present at the great Memorial meeting, held in this very hall, in September last in connection with the death of Sir Vithaldas Damodar Thackersey, and, therefore, I think, Sir, that we have the special privilege of moving this resolution at this meeting. My acquaintance with Sir Vithaldas dated back to something like 1904, at the time of the Bombay (National Congress) Exhibition. I came to that exhibition in charge of the Sind Section. Then I had a great many conversations with Sir Vithaldas, who showed a very great interest in Sind, especially regarding the cultivation of Cotton—the Egyptian cotton. At that time I had an occasion to know what a great Industrialist he was. Of course, you in Bombay knew him very well as a great Industrialist, because there are so many mills in Bombay with which he was connected. He had also taken a great interest in the question of the Co-operative movement. He took special interest in it. In that matter, and in other matters, gentlemen, you know that he was a great man, and a great Industrialist, and, of course, a leading light of this City. His sudden death caused a

great gap, which cannot be easily and quickly filled. It is a great pleasure to know that this Conference is going to do something in his memory, and I do believe that it is but very natural that we should do something in this Conference, as far as we can to make his memory perpetuated in the City to which most of his efforts were confined. The resolution, gentlemen, therefore, that I want to place before this conference runs thus. Before I read it I would add that it has given me great pleasure to see that a gentleman from Sind has been asked to move the resolution. I hope you will carry the resolution by standing in solemn silence. It runs thus:—

“The representatives of the Co-operative movement of this Presidency, assembled in this conference, express their profound sense of loss to the movement, and the economic and industrial regeneration of the Presidency, caused by the untimely death of Sir Vithaldas Damodar Thackersey, and beg to extend their sincerest sympathy to his widow, Lady Thackersey and his relations.”

Diwan Bahadur S. V. Mensinkai (of Dharwar) in seconding the resolution said:—

Mr. President, ladies and gentlemen, I have very little to add to what my predecessor in his speech said about the late Sir Vithaldas Damodar Thackersey. Every Co-operator knew that gentleman and also what he did in connection with this movement. I, therefore, heartily second the resolution, (Cheers.)

Mr. Devadhar: Gentlemen, I will read this resolution again. We shall have to pass it by standing and in silence.

The resolution was read and was passed by the Assembly standing in solemn silence.

RESOLUTION NO. II.

The Hon. Mr. Lalubhai Samaldas moved the second resolution with the following speech.

Sir, I beg to move the following resolution:—

“That this Conference endorses the scheme for a Co-operative Institute Building to serve as a memorial to the late Sir Vithaldas Damodar Thackersey, as decided at a public meeting held in Bombay on the 12th of September last, and recommends all the Co-operative Societies and all individual co-operators to subscribe to its support.”

Friends, to me the loss caused by the death of Sir Vithaldas is a great personal loss, but I am not going to refer to it here at any length. I am referring to the loss caused by his death to the whole Co-operative movement. Those of us who are co-operators and had an opportunity of working with him know that from the time that the first Co-operative Society was founded and after the Co-operative Credit Societies' Act was passed in 1904, Sir Vithaldas was always anxious to help the Co-operative movement. It was the first Registrar of Co-operative Societies, Mr. Macneil, who approached him for

funds, because at that time there were no Banks to give financial help to the Co-operative Societies. It was Sir Vithaldas who formed the first Bombay Urban Society, a small Society with a capital of rupees 20,000 only subscribed by him and his friends. That money was utilised to help the Primary Co-operative Societies. The Bombay Urban Society was the seed from which the present Provincial Co-operative Bank has grown. After some 4 or 5 years, it was felt that a larger financial institution was necessary to help the primary Societies. The number of them increased. Accordingly the financial requirements also increased, and it was decided that we should have one Central Institution to help the primary Societies. Hence the idea of a Central Bank in Bombay with debentures guaranteed by the Secretary of State and by the Government of India. That idea was his idea. I had the privilege of working with him. We worked together, and it was the Government of Bombay—and Lord Sydenham—that took up our idea. Lord Sydenham worked it up and carried it up through in spite of the opposition from the Secretary of State's Financial Advisers. The Secretary of State's Financial Advisers looked at the matter from the financial point of view to find out what the Government was likely to gain and what the Government was likely to lose. They did not take a broad outlook which our present Minister takes, and as the result they tried to file the papers! Fortunately, we had then here as a Revenue member Sir Muir Mackenzie. He knew what co-operation meant. He was anxious, if necessary, to pledge the credit of the Bombay Government, for co-operation, and he allowed the Institution to come into existence. The Government, allowed the foundation of this Institution, but the idea was of Sir Vithaldas, who worked it out in its initial stages. Subsequently for certain reasons he could not continue his work in connection with the Institution directly, but indirectly he did whatever was necessary to help it. It was he who steered the ship of the Provincial Bank. The Bank is due entirely to his foresight and to his help. Therefore, his death has caused a loss to the whole co-operative movement. I will refer also to the loss caused to the country by his death in view of what I saw of his work at Delhi. You will allow me to refer to one circumstance. I would say this that the last Budget of the Government of India would not have been cut down as it was or would not have been carried in the way it was carried, had not Sir Vithaldas been able to guide the Democratic Party on the right lines. (Hear, hear). It was he who always negotiated on behalf of the Democratic party with the Official members. It was he who gave the Government money through the Councils whenever wanted. His loss, therefore, is a loss to the country. I have said of the loss suffered by the Co-operative movement by his death. I say, therefore, that it is but fitting that we, Co-operators, who have worked with him and under him should do our best to keep his memory alive not merely by affording a sign of gratefulness but carrying out his work throughout the country, by pushing on that good work which he began. I hope that the Co-operative Society and the Co-operative Bank will support this movement of a memorial to Sir Vithaldas. He started the Co-operative Bank which he was very anxious to join as Vice-President but which he could not join. Nevertheless that was an Institution in the building of which he took a lively interest. The building of it was his idea. I hope you will always keep his memory fresh in your mind, having regard to the enthusiasm with which he worked for the co-operative movement. I hope that this resolution will have your absolute and united support. (Cheers.)

Mr. Kevalram D. Shahani (of Sind) in seconding the resolution said:—

Mr. President and gentlemen, I feel it a great honour to second this resolution, which was moved by our great leader, the Hon. Mr. Lalubhai Samaldas. I need not say anything of the great loss suffered by the Co-operative movement in the whole of Western India by the untimely death of Sir Vithaldas Thackersey. Although I come from the far-off Sind, I must say that we all feel to be at one with the cause of the whole Presidency in the matter of this resolution. The memorial building is a good idea, and I assure my fellow-Co-operators of the whole Presidency that Sind will not lag behind in joining hands in making the building a fitting memorial to the departed leader. (Cheers.)

Raja Saheb of Malegaon supported the resolution with the following speech in Marathi.

Mr. President and gentlemen, owing to my health I cannot speak loudly. I will say this that I heartily support the resolution, which has been placed before you. Sir Vithaldas Thackersey I knew very intimately, and I also knew the different ways in which he heartily supported the Co-operative movement. He was a great sympathiser of the agricultural class. He scrutinised the condition of that class minutely by going from village to village and by paying such visits to different villages he explained to the agriculturists the principles on which the Co-operative Societies were started and conducted. I know from personal knowledge how he worked diligently in that behalf. His heart was full of kindness. I first came in contact with him at Mahableshtar, when he was enquiring into the condition of the people of the village called Dhawade. He there was trying to see to what extent the people were ruined by the Savakars. He, therefore, while at Mahableshtar, started a small Society. He had much to do in giving, Co-operative relief to the people for irrigation purposes near the Nira canal. He was a friend of the Cultivators. At Baramati he helped the people in carrying out sugar cane cultivation by supplying them with capital. That was the time when the Government was not willing to maintain the scheme of supporting the sugarcane cultivation, but it was Sir Vithaldas, who came forward and with the co-operation of the Hon. Mr. Lalubhai Samaldas and Hon. Minister, our present President of this Conference, arrived at Baramati and started 39 Co-operative Societies, which now are doing a flourishing business. Sir Vithaldas's labour in the interest of the agricultural classes and village Banks specially induced me to support this resolution for raising some memorial in his honour. When the memorial meeting for Sir Vithaldas was held in Bombay in September last I could not be present for certain reasons. Fortunately for me I am now here to support this resolution which I do most heartily. (Cheers).

The resolution was carried unanimously.

Mr. G. K. Devadhar in moving the the third resolution said as follows:—

Gentlemen, those of you who listened to my speech yesterday need not be told that there was a reference made by me to the great havoc that has been brought on the Co-operative movement by the failure of the Fascisti scheme in

Italy. You all know from the speeches of the President of the Conference and Mr. Rothfeld that the Co-operative movement is not an isolated movement in India nor are the Co-operators such a small section as to be neglected. Those speeches would tell you that the Co-operative movement is a worldwide movement and that we, all the Co-operators in India belong to a great Brotherhood, and for that purpose we have been called upon by the International Co-operative Alliance, of which the Bombay Central Co-operative Institution is a member, to express its sympathy with those who have suffered a loss in Italy and to extend its protest to the set-back which has been caused to the movement generally. Therefore, we want to pass this resolution and I beg to move it from the Chair. It runs thus:—

“That this Bombay Provincial Co-operative Conference has heard with great grief the loss inflicted upon some of the Co-operative organisations and individual Co-operators in Italy, and that it joins the International Co-operative Alliance in its protest against the cruel treatment meted out to the movement by the Fascisti Government during the last two years, and expresses its strong hope that the Fascisti Government will lose no time in making reparation to the Societies and individuals that have been wronged.”

Gentlemen, first I felt that it was necessary to read out to you a long extract giving the details of the wrong that has been inflicted by the Fascisti scheme and also to read out to you the protest that has been made in the most mild terms by the Co-operative Alliance, but now I do not think that is necessary. The resolution that we have worded in this Conference, I hope, expresses our sense of protest sufficiently. We are only called upon to join the protest which has been entered by the International Co-operative Alliance, and, to join them also in expressing the hope that sufficient reparations will be made by the Fascisti Government, which is at present in power. You all know Italy has taken very great and leading part in the development of Co-operative movement. That Government has been more or less progressive in the matter of the Co-operative movement. You must have heard of the facilities offered in the matter by the Government which wants to sustain the movement, but lately we have found a vicious and capatalistic tendency coming over those in power to give a set-back to the movement. I think, therefore, we all Co-operators, who are interested in the welfare of the Movement all the world over, ought not to lose time in expressing our sympathy wherever we know our brother-Co-operators are in trouble. I hope, therefore, you will pass this resolution unanimously. (Cheers.)

The resolution was carried unanimously.

Mr. Devadhar said as follows:—

Gentlemen, now we come to the regular business of moving for your acceptance the reports of different Sub-Committees, and I call upon Rao Bahadur Chitale, who was the Chairman of the First Sub-Committee to move the report of the Committee. Before we proceed, however, I think I should refer to the rules for the discussion and debate which have been already circulated. We have got six Sub-Committees, whose reports are to be passed to-day. There will be, at least, two or three speeches on each resolution, so that I should say that the proposers will take ten minutes, seconders five, and supporters, if there are any, who will not finish in three minutes will have a little more indulgence shown by the Chair. With these preliminary remarks I call upon Rao Bahadur Chitale to introduce the report of the First Sub-Committee.

CONSIDERATION OF THE REPORT OF SUB-COMMITTEE No. I.

Resolution No. I. Debt Redemption

Rao Bahadur G. K. Chitale, (Ahmednagar) Chairman of the Conference Sub-Committee No. I said as follows:—

Mr. President and fellow-Co-operators, I have the honour to present to this Conference the report of Committee No. I on the several questions that were referred to that Committee. You remember, Sir, that there were several questions referred to the Committee. For many of those questions a separate resolution has been framed. Such of those questions, however, as could not be decided within the time allotted to the Committee, had to be postponed. As regards the other questions which have been decided upon by the Committee, the most important question was the one which is now embodied in resolution No. 1, which is recommended to this Conference by my Committee. Therefore, the first resolution which I am asked to move for discussion before this Conference runs thus:—

“That this Conference is of opinion that the time is not yet ripe for devising any comprehensive scheme of debt redemption for all or any group of private societies, but it sees no objection to any primary society going in for a debt redemption scheme from its own normal working capital.”

Gentlemen, this is the resolution which, on behalf of the Committee, I have now the privilege of putting before you for discussion. Gentlemen, behind this resolution there is a great deal of history. Ever since the inauguration of the Co-operative system in our Presidency there has been a very loud cry as regards the rural economics which it was considered would never be put on a proper basis unless the question of debt redemption was tackled in a proper and broader spirit. With regard to that policy you will find that last year the Co-operative Conference passed a resolution to this effect, namely, “That this Conference is of opinion that a systematic attempt should now be made to redeem from their debts the members of such Societies as have been in existence for some years and are being well managed.” Gentlemen, last year this Conference took up that position and recommended that a systematic attempt should be made to redeem member’s debts in several Societies which have existed for a number of years. But there were only a few provisions added to the resolution of the Conference, such as that complete liquidation schemes should be made in which old Societies classed as A and wherein there was a large number of thrifty members who were not likely to lapse into fresh indebtedness.

Now, gentlemen, I wish to put before you the following issue. Last year the position taken up by the Conference was that proper effort—systematic efforts—should be made in such Societies wherein the members were thrifty and which existed for a number of years and members of which would not again contract fresh debts. That was the recommendation that was made last year, irrespective of any limitation being put on it. Sound finances are in my opinion sound commonsense, and I say that this question of sound finance has been engaging the attention of the Co-operators for so many years, nothing practical has been done uptil now. (A delegate: quite true). There have been no debt redemptions on a

very large scale except, perhaps, in Bombay, and all attempts at devising a scheme have so far failed. I will quote chapter and verse on this point and also give reasons as briefly as I can. The rural economics in this Presidency differs from division to division, very often District to District and in villages not far distant. The problems of rural economics in the famine tracts are quite different from those in the richer districts like Gujerat. The problems of economics in areas wherein the rates of interest varies from 6% to almost 24% have very great bearing on that question, and also there is this fact that though the debts in the record of Right Register could be found out, it is known—very well-known,—that they are bloated to an enormous extent and require a very close scrutiny very often by men of judicial experience. No redemption scheme, therefore, unless it was limited to any particular tract or any particular society, could compete without any expert advice. Under the circumstances, the Conference, last year thought it proper to give the resolution a definite and practical shape and, therefore, worded it in the manner it was done. Now gentlemen, the present position is this. We do not want any *utopian* scheme or any scheme which will not materialise. The Bombay Presidency is known for its sanity, and we want to tackle the question now in a practical spirit. It may be said and, perhaps, rightly that we would rather look small in the eyes of the sister Presidencies but I should think that even at the risk of that, instead of having pious resolutions of this nature passed by the Conference every year, it would be much better if next year this debt redemption is taken up in an earnest manner even in a single Society in the whole Presidency. It would be much better even if a single Society in the whole Presidency is prepared to tackle the question in a proper manner instead of having a general scheme which is merely a theoretical *attempt* in that direction. I do not want that. I am, however, amenable to the suggestion that in order to see that this has the desired effect we should go in for the proposal of appointing a Committee of experts. I have no objection if a suggestion is made that the help of the Committee of experts be given to such Societies as would like to go in for this scheme. I have no objection if such a shape is given to this resolution. You will, therefore, see from the wording of last year's resolution that it recommended that "an *attempt* should be, 'made'", whereas in this Conference we now say "We are satisfied that a *beginning* should be made by any Society out of its own funds, so that the initiative will come not from theorists but from people who actually want redemption and who so much desire it as to take the first initiative. The recommendation contains advice pure and simple and helps people to devise a good scheme by the provision of necessary funds. Now that is the position, sir, which this resolution recommends for your adoption. I do not think I have the right of reply, but I think it necessary to explain the position at some length, because I do feel very strongly that this question of debt redemption scheme in the Presidency proper is so vast that it is financially impossible in the present financial circumstances either for the Government or the people to tackle on a large scale in these days of trade depression. I say "Why hanker after the Moon which is not going to come nearer you? It is much better to try to fly from the earth and thus to get as high as possible." I feel that this is a better position for people to take. I would welcome the day when all the 2,400 Societies come forward which are now classed as "A" and say that "We are quite ready for a debt redemption scheme and request the Registrar's Department and the Co-operative Institute to select a scheme which can be scrutinised by a Committee of experts." I would certainly welcome their

enthusiasm. Not only that, but I would do my best to further such practical efforts. But I know that when people descend from more theories to practices and put their experiences on paper not only on paper but sometimes in actual shape, they find very many difficulties, many a pit-fall, which exist undoubtedly. To take one instance in this connection, I will mention that many many years ago such a problem I had to tackle in respect of one Society with the help of Mr. Macneil, who was our first Registrar. We then found that on paper it was a very small redemption and that money could be found, but soon after that when we applied our brain to the task we found that there was an undue delay involved in perfecting the scheme. We also found that there was no knowing whether the debtors and creditors would not combine in extracting as much money as they could from a willing body, and make hay while the Sun was shining (Laughter.) To my mind that is a practical objection which you will have to surmount. The law's delays are proverbial, and when any such Society is working out a practical debt redemption scheme, we have to look into all these particulars. You take it from me as a practising professional Pleader that no scheme will be completed in less than five years with all the three courts and the defendants and creditors fighting and a body with a big purse like the Co-operative Society standing behind. (Laughter.) A lot of pleaders will be engaged, and they will make as good a business out of the job as possible. That is not the right way of proceeding if you want to tackle the problem properly. If you want to tackle the problem properly, see that no money is advanced unless a better scheme is devised. First, devise the necessary scheme of debt liquidation. You have to take legislative power. You have to make this question not judicially impossible. When that is done, when you have gone to that extent, you know exactly how the things stand. Then the debt redemption will follow. I do not think, Sir, that I should be a party to any paper scheme which is not going to materialise. If, however, the majority think that the last year's lines are proper to go upon, I do not quarrel with them. Of course, older as I am I venture to say that all younger generations with their enthusiasm and hopefulness are entitled to their opinion, but I do feel that the only resolution which should be commended from the point of view of commonsense or from the point of view of sound finance is the one which I have now the privilege to put before you. I know that you will give it your best attention, which it deserves. I know you will then come to a sound decision. Be it remembered that I have no objection to the appointment of a Committee of experts and give whatever help to such Society that it likes. The next resolution is on a different question, but if it is the wish of all of you that this particular question of debt redemption is so important that it should be discussed thoroughly, then I will not put before you the second resolution for the present, which is recommended to be put before the Conference by my Sub-Committee. Let us thresh out the "pros" and "cons" of this particular resolution on this particular question and come to a definite point of action. (Cheers.)

Rao Bahadur R. G. Naik in seconding the resolution said as follows:—

Mr. President and gentlemen, I beg to second this resolution. In fact, this resolution is the outcome of the note that I have written to this Conference. In that note I have given several reasons for believing that we are not yet able to undertake debt redemption on a large scale—on a comprehensive scale. In fact, from my personal observations of co-operation in the mofussil I fully believe that

we are not yet in a position to undertake debt redemption on a large scale. In fact I believe that the Central Bank and the Provincial and District Banks are able to undertake that responsibility—of debt redemption. It is not only the question of money that should be considered. You have to consider also the question of Co-operators themselves. What I say is this that the real difficulty in the way of debt redemption is of money and of well disciplined co-operators in the mofussil. In fact we know that there are many Societies with small capital—with capital smaller even than that which would enable them to meet the present demands of their members. There are many Societies whose members could not be helped fully. Unless and until the Primary Societies are improved properly to meet all the demands of their members, I think they cannot be of great assistance for debt redemption. They would not be recommended to undertake debt redemption. Unless the Co-operators or persons selected for debt redemption are well-disciplined, they should not be given relief. I do not wish to make a lengthy speech and, therefore, wish to commend this resolution to your acceptance with these few remarks. (Cheers.).

Hon. Mr. Lalubhai Samaldas moved an amendment to the resolution with the following speech :—

Mr. President and friends, I beg to move an amendment to this proposition. Before I move the amendment, I would like to refer to a few of the points which are brought forward by my friend, Rao Bahadur Chitale, from Ahmednagar. He has become so pessimistic that he feels to say that younger men have to follow while the elders alone have only the right to give advice. I have more faith in my younger countrymen than he has. Not only have I faith in them but also in the Government. I have faith in the Provincial and Central Banks. I wish the Rao Bahadur had not thrown the cold water on the scheme that was placed before the Committee. He gave you an example of the work done by him as regards debt redemption in connection with one Society. May I give you an example where my experience was quite the reverse of his? I went with Mr. Ewbank to a Society in Dholka, and I am glad to say that we were able to wipe off the debt of all the members of the Society. We found in most cases the members were well-behaved and the Savakars who held the Bonds from those members were ready to have the Bonds redeemed. They were even prepared to cancel the nominal mortgage and give back the Bonds on payment of the real amount due to them. We achieved this only after we had fully discussed our proposals with all the parties concerned. Take the organisation of the Provincial Bank. It was started with a share capital of 7 lakhs and debentures worth 20 lakhs. I think it is necessary for me to explain to you, gentlemen, that we wanted long—term debentures, because we wanted to take up the work of debt redemption. We did not think it was good for a Bank to borrow money for short periods and make advances for long-termed periods. That was why we went to Government with a definite proposal for a debenture issue to enable us to give loans for redemption. We have carried on the work to a small extent, and to say in the year 1922-18 years after the passing of the Co-operative Societies' Act—as Rao Bahadur Chitale says that “the time has not yet arrived,” is really very disappointing. I am really sorry I was not present yesterday in the meeting of this Committee. I beg to apologise for my absence.

I may say that if I was present in that meeting I would have told Rao Bahadur Chitale what we had done and what I have now said before you. And then his attitude would not have been anything but hopeful and optimistic. I quite realise that the problem is a complicated one, but the Rao Bahadur will give me credit for not being a theorist and a sentimental and emotional young man but one who is keenly interested in the subject. I could give him facts and figures. I am to have the whole scheme of debt redemption examined by a Committee of experts, consisting of the representatives of Provincial Banks, District Banks, Co-operative Credit Societies, and the Registrar, because the Registrar has taken some action on the resolutions passed by this Conference last year. The Registrar has issued a Circular on the subject. I dare say many of you, gentlemen, have seen it. I do not know whether the Co-operative Institute was consulted when the Circular was issued. That Circular lays down certain principles for the guidance of Societies that want to take up the work of debt redemption. Here are definite and concrete proposals. If I understand some of the papers that have been submitted to the Conference, the idea is that the proposals need to be modified, but when the matter went before the Committee, it was decided that no reference be made to the scheme prepared by the Registrar and to recommend to this Conference the retrograde action involved in the proposal now before you. I would, therefore, move an amendment, sir, that "A Committee consisting of the Registrar, two representatives of the Provincial Bank, one representative from each of the District Banks, and three representatives of the Agricultural Co-operative Societies, to be co-opted, and that they should go through all the papers submitted to the Conference and through the Registrar's Circular, and submit a very detailed report thereon before the next Conference" (Cheers.).

Mr. Otto Rothfeld said as follows :—

Gentlemen, before any voting is taken on this subject, I should like very briefly to explain my own position in the matter. To some extent, of course the subject of the resolution is a criticism of the action taken by myself in carrying out the recommendations made last year. I beg to point out that the recommendations made last year were accepted by myself fully at the time and are still as fully accepted by me, namely, that a "systematic attempt at debt redemption should be made." I will call your serious attention to the fact that the term "systematic attempt" is translated differently by some people. I translate the term "systematic" as "correct". Apparently a certain number of persons, responsible for the framing of the resolution last year, have translated the word "systematic" in a different sense, frequently used by clerks in Government Offices in India, namely, "energetic" or "urgent," anything in fact which, I would call unsystematic rather than systematic. I have personally no objection, at all, to debt redemption being undertaken on a careful and systematic basis. I have every desire to see debt redemption undertaken by a Society. I emphasise this fact because I think that it is every co-operator's function, if he is to do any good at all, to see that the principle is primarily supported by the efforts of the people themselves. It is for the members of the Societies to show by their efforts that they will undertake the work first. Having done that themselves they can expect the District Banks and the Provincial Banks to

give them assistance. In that case a very careful scrutiny will be necessary as to the conditions under which the debt is incurred, as to the holding of the man, whether it is profitable and economical or not. Such a scrutiny must be made before the management of the Bank, who are trusted with other people's money, can lend money because the Board of the Bank will be spending money of one cultivator on redeeming the debts of another cultivator. This is an important point to consider, a point which I want to make. In fact this is exactly what is happening. Every Society in the Presidency is perfectly free to take up the debt redemption of its own members out of its money. No one can interfere. In the case of the Societies affiliated to the District Banks if they were to approach the Banks for a loan for debt redemption, no official interference in any way would be made, because it is entirely a matter between the Societies and the District Banks. The official interference comes in only in cases where the Societies do not work within the limit fixed by themselves in their own bye-laws. If that limit is to be allowed to be exceeded, then the matter comes to the Registrar, who has to give the necessary sanction, and he is responsible for that sanction. He has, therefore, to scrutinise the state of things properly. He must be satisfied that there are conditions justifying his permission to exceed the limit. Whatsoever resolutions you pass, you must abide by the bye-laws of the Societies which fix certain limits. The Government say that if these limits are to be exceeded, the sanction of the Registrar is necessary, and the Registrar, if he is conscious of his duties and responsibility in the matter, will have to scrutinise the conditions very carefully, unaffected by any resolution. But the question is different in regard to the Societies' functionaries or the Directors of the Provincial Bank. The point is this, that as long as the agreement with the Secretary of State exists that the recommendations have to be made by the Registrar to the Provincial Bank, he would not be doing his duty, if he made those recommendations when he knew that the loan was unsound. That is the position, and the only question, therefore, which really arises out of the last year's resolution, is whether the Registrar should be persuaded or forced by the resolution, of this Conference to relax the condition. You have to set up a standard which will fully meet the requirements of the case. If this Conference by a large majority or unanimously were to pass a resolution that debt redemption should be taken up freely—not systematically—but freely—and that the Registrar should recommend a scheme of debt redemption to the Provincial Banks without enforcing any rigid condition, I will consider that resolution, I will give it as much weight as I can, subject to my exercise of my own responsibility. This is a subject which really touches a very large elementary question of economics of this Presidency. On the whole I must say I agree entirely with my honourable colleague, Rao Bahadur Chitale; I do, however, rather regret the way in which the subject has come under discussion this year. The resolution, perhaps, has rather an effect which is most discouraging—more discouraging than what you and I should have desired. I do regret the way the subject has come up. The form of the resolution is inevitable. What I point out is this. I emphasise the fact that 50% of villagers in Deccan will not be helped in any way under the existing conditions attached to debt redemption. You will be throwing a burden on the Bank without causing the slightest improvement in the position of the villagers. Under the present conditions, their agricultural business is going to remain entirely unprofitable, and if you go and pay money into an unprofitable business, in one which

you cannot make profit, you are doing an extremely foolish act; you are not helping a bankrupt person for whom by making the advance you are merely perpetuating a condition which will drag him further down. The best thing to do in a case like that, where the cultivator's business is unprofitable, is not to grant him a loan but to let him go out of the land and work in factories in Bombay. Anyone who has to do with the Co-operative movement must set his face entirely against the procedure of debt redemption in the case of the cultivators whose business is unprofitable. It is foolish to give any help to such cultivators. The question is of helping the cultivators who do profitable business. Such cases are covered by the Circular issued last year. That Circular may be worked in conjunction with certain directions and instructions conveyed in the resolution of the Committee. I believe that that procedure would cover the cases worthy of consideration for debt redemption. There is another thing. No one, I believe, has touched it. The idea of the debt redemption is this, that the whole agricultural industry in the country should be free from debt. I suppose every Co-operator knows it is absolutely impossible for an industrialist to exist without being in debt. He must have debts. The only question here also is whether the debt is incurred by profitable loans for the cultivator's productive purposes or by unprofitable loans for his unproductive purposes at a high rate of interest. We know great many instances of cultivators taking loans for unproductive purposes like marriages which are only productive of children, at a high rate of interest. (Laughter.) The Co-operative movement has to show to the people that their first purpose in assuming debt ought to be proper cultivation. It is to enable them to have a great hope for the future that we have to give them all the help we can. One cannot imagine for a minute that a large industry like agriculture can go on without credit and without debt, or that it is possible for any Society at one sweep and at one stroke of the pen to redeem all debt. Suppose for a minute that the total debt of the cultivators in the Presidency amounts to 80 crores. Suppose the cultivators take up 20 crores. They cannot wipe off all the 80 crores with that help, and they cannot expect help to come from "akash", the sky. The 20 crores at present is credit obtained from innumerable small traders in the District. But if the cultivator's services for his debt are to be transferred by the stroke of the pen, then they will be thrown into the hands of a very few financiers in Bombay.

The Hon. Mr. Lalubhai Samaldas: What about the reduction of interest?

Mr. Rothfeld: In the first place the services are transferred from innumerable traders and brought to a few big financiers in Bombay.

The Hon. Mr. Lalubhai Samaldas: The cultivators will get two meals a day instead of a meal and a half which they now get.

Mr. Rothfeld: They may do so for a time: but the result would be the diversion of service done by the cultivator from the control of local traders into the control of financial centres and would involve sudden and vast economic dislocation.

A Delegate: Are we discussing the amendment or the original proposition?

Mr. Rothfeld: There can be no question, but that the result of such a sweeping step must be a general lowering of prices of agricultural products. How far that would go on is at least beyond anyone to say. How far it would go depends on how far the money which in this way flies back to the Central Institution would be transferrad to foreign countries. The reduction of interest in itself will be illusory, The cultivator whose interest is reduced will get lower price for his product. I am not stating the case in an academic or abstract way. The possibility of whole-sale reduction of debt in any case is out of the question.

Hon. Mr. Lalubhai: Nobody asks for it.

Mr. Rothfeld: It has been urged that a systematic attempt should be made. I would strongly request those who are the propagandists of a "systematic attempt" to have a very careful and lucid understanding of the term. They must come to a clear understanding of what they have in their minds. They must move in the realm of clarity. They must remove the question from the realm of academic though heated discussion to that of practical effects. They must consider what should be done in a given village where the scheme has to be practised. I think the present system will meet all the requirements of the case. (Cheers.)

Mr. Devadhar: Gentlemen, I think the Co-operative movement affords a right solution of the problem of debt redemption. From the agriculturists' point of view the question of debt redemption is one of the most important questions, and I am glad that that question is being discussed in fuller details by men who have the right to speak on the subject. I think I should allow an important and legitimate discussion on this subject. Our friend, Dr. Mann, is here, and I would request him on your behalf, as the Head of the Agricultural Department, to put before you briefly his own views on this subject. As regards the question of amendment we shall deal with it in a formal manner. The important question contained in the resolution should, I think, be completely discussed before we disperse at 1-30. I now call upon Dr. Mann to address the Conference. (Cheers.)

Dr. H. Mann then addressed the meeting as follows:—

Mr. Chairman and gentlemen, I feel, first, that there has been a little unnecessary heat imported into this discussion. I really think that the Hon. Mr. Lalubhai Samaldas's amendment, if carried, may meet the views of everybody. It seems to me that at the present moment the real difficulty is that we do not understand the subject entirely in Bombay. Some people are speaking from the Bombay point of view, some people are speaking from the village point of view, some people are speaking from the theoretical point of view and some people are speaking from other points of view. At any rate, it seems to me, without expressing any detailed views on the subject, that the subject will bear further investigation before any definite policy is laid down. (Hear, hear.) For my part I feel very strongly with Rao Bahadur Chitale that the difficulties are much greater than the people are apt to think. I think moreover that village debts do not mean the same as town debts. I do not feel that the debts in villages are fulfilled—are ever expected to be fulfilled by any money-lender. If all your cultivators made efforts to pay their debts, if they ever intended that their debts

should be paid, it would be the biggest surprise to the money lender. The other day this subject was being discussed with a *savkar* and he said that, as the result of his 20 years' work as a Village *savkar*, the average rate of interest he could get was 6% or 8% on his capital, although he had been charging a heavy rate of interest. Although the nominal rate of interest was 23% still on the average of his twenty years' work, this *savkar* got from 6% to 8% on his capital. In other words, he did not expect that he would get his money back. He knew really that his debt was purely nominal and that the high rate of interest of 20% did not entirely benefit him. The suggestion made by some people that the rate should be compounded in the villages would be very objectionable. At the present time, as I have said, the debts are largely nominal, and if big schemes of compounding were introduced the compounding rate would rapidly rise and this would be extremely undesirable. For my own part I think these things must start from the individual Societies. We must work out the scheme that will be applicable to particular cases, and subsequently develop them as general schemes. We should have further investigation and while I personally sympathise with Rao Bahadur Chitale's original proposition, I would suggest that the amendment of the Hon. Mr. Lalubhai Samaldas should be accepted and that a Committee of experts be appointed consisting of members who actually know the village conditions. (Hear, hear.)

Rao Saheb Walvekar of Hubli said as follows :—I am afraid I have to oppose the resolution put before you by Rao Bahadur Chitale. He says that from the commonsense point of view and from the sound finance point of view this resolution is the only resolution that can be passed. At the risk of losing commonsense, I regret I have to say that in my opinion it is not at all, advisable to pass such a resolution, which is certainly disappointing us. The resolutions passed at the previous Conference are against it. If you look at the proceedings of the Conference, you will see that there was a resolution to the effect that "The time has already come for making serious endeavours to redeem the old debts of member", and now according to present resolution we say that "The time has come," which the last Conference in its resolution said "had now come when a systematic attempt should be made to redeem the debts of members." Mark the word "now." That was said last year, and yet this year Rao Bahadur Chitale says that "The time is not ripe, the time has not arrived," which means going back, and it is in my opinion a retrograde step. Rao Bahadur Chitale said that "the Conference passed the resolution last year without mature consideration. It came to this conclusion by forming its opinion very hastily". It is a sort of an impression which is not, at all, good to the question of a Co-operative movement. I do not think that the Conference will attach any weight to such a resolution, and, in my opinion, the Conference should not pass this resolution for the reason that it is against the resolution passed at the previous Conference. If I be allowed to modify the resolution I may say this.

The President : You want to suggest a rider ?

Rao Saheb Walvekar : No. My *amendment* runs as follow :—

"That this Conference, while confirming the resolution passed by the last Conference on the subject of the debt redemption, is of opinion that the primary Societies should make endeavour to redeem the old

debts of their members and for that purpose should prepare schemes with the approval of the Registrar. Gentlemen, I think this modification of the resolution will be consistent with the last year's resolution, and there will be no charge levelled against the last Conference that it had passed its resolution without mature consideration. With these few remarks I beg to resume my seat.

Mr. Sane (of Barsi) said (in Marathi) :—The subject before us is not whether we want to pass a measure for the whole of India or for the Bombay Presidency only. That is not the subject before the Conference. A resolution was passed last year for the redemption of debt with regard to certain parts of Bombay. Against that resolution a resolution is framed and placed before this Conference, and to that new resolution the Hon. Mr. Lalubhai Samaldas has moved an amendment for the appointment of a Committee, consisting of representatives of different institutions, who should decide what should be the procedure adopted to meet the requirements of the indebted cultivators. Rao Saheb Walvekar has suggested that the Registrar should decide the point. In my opinion it is not advisable to entrust the work to the Registrar. Let the Committee be appointed, and let that Committee, decide what should be done.

Hon. Mr. Lalubhai Samaldas said as follows.—Gentlemen, what I suggested was that we should have the whole scheme examined again very thoroughly. That is one thing. There is another thing, namely, that I want to make clear one point taken by Mr. Rothfeld and which has become rather a personal question. Mr. Rothfeld thinks that those of us who differ from him mean by the word “systematic” “confusion” or “without any system”. What we mean is this. When the Registrar has prepared a scheme, we want that scheme—that system—should be again examined before we put it into ^{regard} _{regard}. The system should be carefully considered, because the whole question is bristling with difficulties. I realise it, perhaps, more than others, because I am a Trustee of public money. We, as Trustees, are responsible to the shareholders, and we want the subject to be thoroughly considered, as it relates to the spending of the shareholders' money. The idea is not to work on a speculative basis. The whole system has to be examined thoroughly by experts. Let the Committee develop a workable scheme. That is all we want. We want a Committee of experts. Mr. Rothfeld is an expert in Co-operation, Rao Bahadur Chitale is an expert in law. We do not want a permanent Committee, but a Committee of experts to devise a scheme. We merely want the experts to sit for two or three hours at a Round Table Conference and come to some decision. (Cheers.)

Khan Sahab Azim Khan, Assistant Registrar of Sind, said :—In Sind we have got about 500 Societies and all of them have been started within the last 4 or 5 years. Their working capital is not very large. At any rate they have been trying to redeem the debts out of the working capital. They try to see first whether the members are honest. They scrutinize the thing properly, and then they pay money out of the working capital. So far we have made no efforts to get money outside the working capital, because we have found no need for it.

Mr. F. T. Nalavadi said as follows :—I think it is in the interest of all Co-operators that we ought to go forward and not lag behind. I think we, as Co-operators are all interested in seeing that the cultivators' class is rescued from

its old indebtedness. Of course, that is a pious wish. The only question that we have first to solve is how to begin work. We cannot but make a beginning. We must begin. How to begin is the question which has been solved by the Registrar of Co-operative Societies. It might be that his solution be found to be very favourable by some Co-operators. What I think is this that the Hon. Mr. Lalubhai Samaldas has rightly moved the point that a Committee, consisting of the representatives of the Provincial Banks, Districts Banks and the Central Bank should sit together and find out a solution, and so I strongly support the amendment of the Hon. Mr. Lalubhai Samaldas.

Mr. M. R. Tarkunde said as follows:--As regards the Committee, it should take the opinions of those who know local conditions. The Committee had better first select an area with regard to which a debt redemption scheme should be prepared. I want to say this that the members of the Committee in selecting a particular area should ascertain the local conditions. (Cheers)

The President:—The question before us is regarding the appointment of the Committee and not of how the Committee should work.

Mr. Tarkunde:—Very well, that is all I have to say on the subject.

The President:—I think we have got two amendments. I will now call upon Rao Bahadur Chitale to reply.

Rao Bahadur Chitale replied as follows:—

Mr. Chairman and fellow-co-operators, it is very very regrettable to differ from the views—the orthodox views—of elders (Laughter), and it is also true, Sir, that we could not go on marking time. Well, it is said with a good deal of truth about it that the appointment of a Committee means the shelving of the question. (Cheers.) Now, some of the friends are anxious to begin to-day. May I ask them to be a little more earnest, and if they are Co-operators who are fixed with the responsibility which they have been holding for the last 12 years and over, I will say “May I know what they have done in the matter?” The answer is “absolutely nil” excepting perhaps the redemption which has extended to a few thousands, when throughout the country it ought to have extended to over crores. Sir, I say that the redemption of poor cultivators from their true economical side is not going to be a panacea, when the Indian economists all over the country understand how difficult it is to enunciate a general principle. All orthodox principles of political economy, however useful to other countries, will not do for us as far as the rural economy is concerned. Now, Sir, the Hon. Mr. Lalubhai Samaldas thinks that this question should be examined by a Committee, so that it might be thoroughly threshed out. I have no objection to it, but, Sir, there is this to be said in the composition of the Committee. I differ from the composition which he wants to set up. I say that the Committee should not be a packed Committee. I want the whole question to be looked at from the experts' point of view and not to be looked at by a Committee consisting of persons, who are not experts either in Indian politics or Indian political and economical questions. The present is not the question, Sir, to be played with. A mere majority of a Committee making certain recommendations will make of all of us a laughing stock. (Hear, hear.) I do not want that. What I do want, Sir, is that the question should be properly threshed out, because it involves so many complexities and bristles with so many difficulties,—technical, legal and practical

I would yield to the appointment of a Committee of experts. It is not a question for decision by the representatives of the members of Societies. It is a question for experts to decide. Nothing has yet been decided upon as to whether, for instance, any debt redemption scheme ought to precede proper legislation. The question which will have to be looked to had better be done by experts. No amount of members talking together without expert knowledge can settle the question. I do not think I am equal to it. I would refuse to sit on the Committee, because I know that the problem is such which requires to be solved by experts and which has been awaiting solution for a number of years. There has been an evasion of the solution of the problem for a number of years. The posterity will evade it for another 20 years, by which time even if you get self-Government the question will never be thoroughly solved. With these words, I leave the amendment in your hands. (Cheers.)

The Hon. Mr. Lalubhai Samaldas said :—

Mr. President and gentlemen, Rao Bahadur Chitale has asked for certain information. He said "What have you done for debt redemption up to this time?" I will tell him that we have given away three lakhs and twenty-seven thousands of rupees as long-term loans. I hope this information will satisfy him. (Cheers).

The President:—Gentlemen, I think we have had sufficient discussion now. We have two amendments. I shall put them taking the last first, which was moved by Rao Sahab Walvekar.

A Delegate:—That amendment was not seconded.

The President:—Does anybody second?

Mr. S. K. Hosmani:—I second it.

The amendment was put to the Conference and declared lost.

The second amendment—the one moved by the Hon. Mr. Lalubhai Samaldas and seconded by Dr. Mann—was read again by the President and was carried. It was then put as a substantive proposition and also carried.

Resolution No. 2 of Sub-Committee No. I.—Liabilities of Central Banks.

Rao Bahadur Chitale said as follows:—

Mr. Chairman and gentlemen, I have now to put before you the second recommendation, which is made to this Conference by my Committee No. 1. It runs thus:—

"A Central Bank shall not incur liabilities uncovered by gilt-edged security beyond eight times the share capital and reserved fund, but for the purposes of this rule, gilt-edged securities owned by the District Bank and lodged with the Provincial Bank, shall be treated as equivalent to assets."

This resolution requires a very few words by way of introduction. Many of the District Banks ask for an increment of the limit beyond eight times to 12 times. This is a compromise as it were and a concession granted so far as the District Banks with the available capital they may have. Whatever available

capital they may have shall be put into gilt-edged security. That shall go in as assets and will not be deducted as loan to outsiders, and then the Banks will be able to get 8 times the share capital *plus* the reserve fund *plus* the amount covered by the gilt-edged security. It means this that supposing the share capital of the Bank is 10,000 and 5,000 is its reserve fund, and it holds rupees 10,000 worth of gilt-edged security, then the total credit, which it is entitled to get, is 8 times 10 *plus* 5, equal to 15,000, equal to rupees 1,20,000 *plus* 10,000 gilt-edged security. That is how it will work in actual practice.

Thus if the District Banks would be prepared to engage their surplus fund in gilt-edged security that amount would be added up to the amount of the present limit that is the concession which is given. I hope this resolution will commend itself to the conference. (Cheers.)

Rao Bahadur R. G. Naik formally seconded the Resolution.

The Hon. Mr. Lulubhai Samaldas said as follows :—

Mr. President and gentlemen, I want to suggest an amendment. I will read it as follows :—“ That between the words ‘ securities ’ and ‘ owned ’ in line 3 of the printed resolution the following words be added, namely, “ not exceeding twice the paid-up capital of the Bank.” This is the concession that Rao Bahadur Chitale speaks of. I consider it a pleasure and a privilege that this time I give in to, instead of opposing, my friend Rao Bahadur Chitale. Under the bye-laws, any District Bank can borrow more than eight times its paid-up share capital *plus* its reserve fund. There are District Banks, and one of them the Poona Central Bank is managed by my friend, Mr. Jogalekar. These Banks have certain difficulties in getting substantial facilities on account of their bye-laws. The idea underlying the existing restriction is this that the depositor will advance money to the Bank which will have one-eighth of the amount of total deposits it raises as a guarantee fund. The creditors have therefore a margin of 12½% for the risk they assume in lending money to the Bank. Experience has shown this to be a reasonable margin of safety. Commercial Banks whose capital is much more fluid and who invest large portion of their resources in negotiable securities also place some similar restriction on their borrowings. The Committee on Co-operation recommended this proportion as conducive to the safety of investments in Co-operative Banks.

It is now suggested that if the Banks can borrow more money they should do so, only if the capital thus raised is to be invested in gilt-edged securities which will be lodged with the Provincial Bank. That amount may be over and above 8 times the money fixed under the bye-laws. My amendment proposes to regulate the amount that can be raised thus. I will take one instance and make my amendment clear. We have a Bank with a paid-up capital of about 2,25,000. Under the existing bye-laws, it can borrow upto 18 lakhs. Suppose the Bank finds that after having raised this money, it still gets deposits and can easily raise its working capital. Under the bye-laws as they now stand this is not possible. Under the resolution now moved, however, the Bank may raise any further issues of capital provided the additional funds are separately invested. Suppose the Bank borrows upto 27 lakhs, then this reduces considerably the margin of safety for the creditors. I believe, therefore, that for the guidance of

our Central Bank it is necessary to lay down some definite proportion beyond which they should not be allowed to borrow even under the suggested condition. Under the amendment I propose a Bank may borrow upto twice the paid-up Capital, that is, 4,50,000. That money is gilt-edged security. It will be lodged with the Provincial Bank. It will thus be able to draw to the extent of 10 times instead of 8 times the owned capital and at the same time it will have in addition to investments with primary Societies the gilt-edged securities deposited in the Provincial Bank. This concession is absolutely necessary in the case of Banks managed by persons like my friend, Mr. Joglekar. By the granting of this concession the Conference will enable Banks to meet the present situation satisfactorily. (Cheers).

Mr. B. F. Madon said as follows:—Mr. President and gentlemen, I would like to give a concrete example by giving certain figures in support of the amendment. Supposing a Society has got one and half lakhs of Share Capital and 50,000 reserve fund, the whole thing comes to 2 lakhs as full capital. Suppose it has already borrowed 8 times, it has got 16 lakhs from other people. Out of this 16 lakhs it goes and invests 5 lakhs in gilt-edged security. Now, the last part of the resolution says that these gilt-edged securities “shall be treated as equivalent to assets.” Now, what is the force of the words “treated as equivalent to assets?” With three lakhs gilt-edged security added to the original two lakhs of the share capital and reserve fund it has 5 lakhs. Now, according to the wording of the resolution, namely, “the gilt-edged securities shall be treated as equivalent to assets,” does it mean that the Society can borrow 40 lakhs, that is eight times 5 lakhs, or is it meant that the three lakhs might be kept aside and the Society may still go on borrowing? It has already got 16 lakhs by borrowing other people’s money. That 16 lakhs *plus* this 3 lakhs make up 19 lakhs. I say that the meaning should be made clear, because the meaning to my mind is not clear. I would like to point out that it is rather a retrograde step, because when a Society puts money in gilt-edged security, it is really strengthening its position as regards its fluid resource. The object of such investments is to have part of the funds of the Society invested that it may earn good interest and be at the time very readily liquidable. If you allow it to treat such investments as assets and allow it to increase its liability *pro rata* the position becomes much less safe than it would be without such security because the total liability would run into very large amounts and in the run on the resources of the Society only be far greater. What we should aim at is that the total liability should not be increased while on the other hand the whole of the resources should not be invested in loans to members which may or may not be readily called up or even counted on to be positively repaid on due date and that some part of the total resources should be gilt-edged security that could be turned into cash at a moment’s notice in an emergency. If you invest 3 lakhs in gilt-edged securities and then you take 3 lakhs out of your total liabilities and again go and borrow 3 lakhs more, you are not strengthening the position of the Societies but weakening it. I take an extreme case. Suppose we have two lakhs of our capital. Then we borrow 16 lakhs from the depositors, which may be at 3 months, 6 months, or 12 months. They are short deposits. The Society invests all these 16 laks in gilt-edged security. Suppose the Society then goes and borrows another 16 lakhs from depositors; it will have a total

deposit liability of 32 lakhs. I think it is not a very wise thing to do. The whole situation will have to be very carefully considered by the Society which wants to take advantage of this particular facility now proposed in this resolution. Personally I feel the effect would be to weaken the fluid resources of the Society. This is not a wise course to pursue. I personally will not welcome such a resolution. To my mind the resolution is very wrong. We should not have such a concession in which securities are to be considered as assets.

Mr. Otto Rothfeld said as follows:—Mr President and gentlemen, there is no difficulty in the District Banks receiving almost unlimited deposits, but there is a real difficulty in increasing the share capital—to obtain a working capital that is required. The question is how far the present rigid rule of 8 to 1 may be exceeded and that is a question for Banking experts to solve. I am not prepared myself to express any definite opinion. I frankly confess that I have not got either knowledge or the training to be able to express an expert opinion. I very much doubt whether there are more than two or three persons in this Conference, who are in a position to express expert opinion on the matter. Fortunately, there is one such gentleman, who is in a such a position, and he is the last speaker, Mr. B. F. Madon. The opinion that he has given deserves very great respect. If the resolution is to be accepted, I think, in view of Mr. Madon's opinion, it should be accepted subject to such limitations as the Hon. Mr. Lalubhai Samaldas has proposed. I am myself inclined to think that before any resolution could be adopted, it may be necessary to fix certain data.

I think, Sir, certain limiting conditions about dividend will have to be attached to our resolution, although I personally would rather accept the resolution than the amendment. The resolution was presumably not drafted carefully, it will have to be done by legal members. It requires certain modifications. I am not in any way able to give any opinion as to what the Government will say, what attitude the Government would have on this resolution. (Cheers.)

Mr. Devadhar: Gentlemen, there is one more addition to this resolution which runs to this effect:—

“Provided, however, that no Bank making use of this concession shall declare a dividend of more than 7%”.

Rao Bahadur Chitale:—I do not wish to speak further on the subject; I have expressed my personal views on it.

Mr. Devadhar:—Gentlemen, the resolution as amended and added to, reads thus:

“That a Central Bank shall not incur liabilities uncovered by gilt-edged security beyond eight times the share capital and reserve fund, but for the purposes of this rule, gilt-edged securities, not exceeding twice the paid up capital of the Bank, owned by a District Bank and lodged with a Provincial Bank, shall be treated as equivalent to assets provided, however, that no Bank, making use of this concession, shall declare a dividend of more than 7%”.

Rao Saheb Gokhale :—Mr. President and Gentlemen, I have to oppose the figure of 7% I say it should be at least 8%, it should not be less than 7%.

Mr. Devadhar :—You have to remember that the first figure proposed was 6½%. It is now raised to 7%. There is no chance of its being raised to 8%. I will put the amended proposition as a substantive proposition. (Cheers.)

The proposition was carried unanimously.

Resolution No. 3 of Sub-committee No. I Levy of Inspection Fees.

Rao Bahadur Chitale said as follows :—

Mr. President and gentlemen, the recommendation of the first Sub-Committee, of which I was the Chairman, runs as follows :—

“That this Conference accepts the recommendations pertaining to the provision of sufficient inspection and the levy of inspection fees from primary Societies, made by the Conference of the Representatives of the Central Banks, held at Poona on the 20th September, 1922”.

Gentlemen, the inspection fees would be made up by half of them being paid by the District Banks themselves and the other half made up by such Societies, as have earned profit; those Societies who do not make profits will pay a flat rate of one rupee. Such primary Societies as do not make any profit pay one rupee only towards the inspection. The other primary Societies, that is those which do make profits, will pay half of the inspection fees, the other half of which will be borne by the Central Banks or the District Banks. This is the recommendation made by our representatives on the Sub-Committee. I now place it for your adoption. (Cheers.)

Mr. Devadhar: Gentlemen, the whole question was fully gone into in the Conference, that was held in the Registrar's Office by the representatives of different Banks some time ago. In that Conference an agreement was arrived at after a good deal of discussion and finally accepted by the Conference. That agreement, gentlemen, is now before you as recommendation No. 3 of the first Sub-Committee appointed by this Conference. It is placed before you as Resolution No. 3.

Rao Bahadur A. U. Malji, in seconding the resolution, said as follows:—Mr. President and gentlemen, I second the proposition moved by Rao Bahadur Chitale. The question was very carefully considered by the special Conference at Poona. With the extension of business the inspection should also be carefully done. I think that the inspection to be done must be efficient and, therefore, we require efficient inspectors who know the insight of the business of Co-operators. The inspectors require to be trained, particularly in this direction, and the trained inspectors cannot be paid smaller wages. Their wages are to be made up, how? In this connection the system followed at Broach should be acceptable. In Broach there is a provision to exempt rural “Societies, which are affiliated to the Union”, for they cannot be expected to pay double contributions. They have to pay the contribution for separate inspection by the District Banks. With this explanation I trust that this recommendation will meet with your approval.

(Cheers.) Rao Bahadur Chitale has told you that half the fees are to be borne by the District Banks and half by the primary Societies. The primary Societies should not pay the fees twice over if they are affiliated to the Union. Further, the primary Societies who do not make profit will not pay fees but only pay the flat rate of one rupee. This is the whole scheme in brief.

Mr. Otto Rothfeld said as follows:—Mr. President and gentlemen, I think all this matter is rather confusing. I, at least, do not see the thing clearly. The recommendations made by the Sub-Committee, which considered the matters, were that fees should be levied according to the Broach system. One Half the expenditure of inspection is to be borne by the Banks and the other half by the Society. It was also pointed out and it was noted by that particular Committee that in Broach, Union Societies were not being charged, but the Committee recorded its opinion that this exemption needed to be reconsidered and that it should be reconsidered at the time of this Provincial Conference. Now, I do not want that the matter be pushed through without consideration. I want to know very definitely what the average cultivating member thinks. Personally, I think there is very great doubt about the principle of exempting the Union. With such an exemption there is practically the moral certainty that the inspectors of Banks will not go to visit the village Unions. In other words, the conditions of such societies would be reduced to the worst lot. That is a very undesirable thing. I think such a thing has actually happened. Where the Union Societies do not pay for inspection, the Bank inspectors do not go to such Societies. Personally, I think that even in the case of Union Societies it would be necessary to pay certain fees. There should be no permanent exemption from fees. The principle underlying exemption is wrong. I cannot see why a person paying fees for one thing should not also pay fees for another. The supervision done for Unions and for Societies is entirely different. I, therefore, request the point should be made quite clear in this recommendation. For that purpose I move an amendment saying that "provided that Societies affiliated to Unions or Taluka Associations which provide supervision shall, during the period of affiliation, be liable to only half the inspection fees." (Cheers.)

Mr. V. L. Mehta formally seconded the amendment.

The amendment was put to the Conference and carried.

The amended resolution was then put to the Conference as a substantive resolution and unanimously carried

Resolution No. 4 of Sub-Committee No. 1 Transmission of Funds by R. T. R's.

Rao Bahadur Chitale said as follows:—Mr. President and gentlemen, I beg to present the report of the First Sub-Committee in the shape of recommendation No. 4 which runs as follows:—

"That this Conference accepts the suggestions regarding the concessions by Government for the transmission of funds of registered societies and the extension of the internal arrangements for remittance made by the Committee appointed for the purpose by the Conference of the Representatives of Central Banks, held at Poonā on the 20th September, 1922."

Gentlemen, for your information I shall read this.

‘Only such members as have shown themselves thrifty and capable of utilising their loans properly are so redeemed;

members who are to be redeemed give an undertaking that they will not have recourse to borrowing from any outside agencies without the society's consent.’

Gentlemen, you know, perhaps, how the question has arisen. Originally in the days gone by, the District Banks were slow to take advantage of this concession of remittance transfer receipts. So long as there were Government Treasuries, the Government Treasury Officers, as the result of administrative orders, never took objection, because the volume of business was in manageable proportions. Latterly, however, it appears that several Banks wanted this concession, and as there are Branches of the Imperial Bank started in several places, and as there are new agents and new managers, and according to the present scope of arrangements which rest on the contractual relations between the Banks on the one hand and the Government on the other, as the result of the agreement contained in Clause 8 (a), the Government has contracted with the Imperial Bank not to remit funds from one Branch to another or to the Head Office for public purposes. As far as the general public are concerned, the Banks are not to grant a remittance transfer receipt free of commission. That concession is a very valued concession for the Co-operative movement. Though the promise of Government is not contained in any written document, still the promise given on behalf of Government is as good as a written word. The Government does not wish to back out. As a result of private negotiations, the Imperial Bank also in all their Branches are willing to give us remittances. They will allow that kind of business. The present limit they have suggested is Rs. 5,000 a day. This Committee recommends that that limit be raised to Rs. 10,000 a day. The second concession which they ask for is over and above this limit. That concession is that the Co-operative Societies should have the concession of half the rate for Supply Bill, which may exist on any day. For instance, if any District Bank or any urban Society wants to remit Rs. 25,000 on any day, the first ten thousand will be obtained without payment of any commission in the form of a remittance transfer receipt but for the balance of Rs. 15,000 it will have to pay a commission at half the market rate which may be ruling on that day. Gentlemen, therefore, the recommendation is made in the last para to carry out these practical suggestions I hope the Co-operative movement will continue to have some concession within proper limits which may be considered to be reasonable. I think I have made the whole subject very clear. I hope you will accept the resolution.

The proposition being duly seconded was carried unanimously.

Resolution No 5 of Sub Committee. No 1

Rao Bahadur Chitale said as follows :— Mr. President and gentlemen, I have to present to this Conference the last recommendation of my Committee. It runs thus:—

“That this Conference recommends that a Committee, consisting of the following, be appointed to consider and report to the Registrar and the Institute, within two months, on the subject of the desirability

of having Supervising Unions in addition to or in supersession of Guaranteeing Unions :—

- (1) Hon. Mr. Lalubhai Samaldas,
- (2) Mr. Otto Rothfeld,
- (3) Mr. B. K. Rashinkar of Tembhorni,
- (4) Mr. V. L. Mehta,
- (5) Mr. D. A. Shah."

Gentlemen, I would like to add also the name of Mr. D. K. Hosmani to the members of the Committee. Gentlemen, you know the history of this question. Some of the Co-operators are anxious to get in grips. Let the question be examined by a Committee, and we will defer our judgment till then. It is said that instead of two months we should have "three months." I have no objection to have three months, even six months, perhaps, we may have to wait until we meet next year. (Laughter). At the suggestion of Mr. Devadhar I will also add the name of Dr. Mann, because he will guide us properly, being the Director of Agriculture. (Cheers.)

Mr. Devadhar: Gentlemen, the resolution now stands as follows:—

"That this Conference recommends that a Committee, consisting of the following, be appointed to consider and report to the Registrar and the Institute, within three months, on the subject of desirability of having Supervising Unions in addition to or in supersession of Guaranteeing Unions:—

- (1) The Hon. Mr. Lalubhai Samaldas,
- (2) Mr. Otto Rothfeld,
- (3) Mr. B. K. Rashinkar, of Tembhorni,
- (4) Mr. V. L. Mehta,
- (5) Mr. D. A. Shah,
- (6) Mr. D. K. Hosmani,
- and (7) Dr. H. H. Mann."

The resolution having been duly seconded was unanimously carried.

Mr. Devadhar: Gentlemen, we began our work half an hour too late. We have finished it half an hour too late, so far as the morning portion is concerned. The next business is to hear the report of the next Committee. I should suggest that we should take the report of Committee No. 5 first, because Mr. N. M. Joshi, who is to present it, has occasion to leave the Conference early. We shall meet exactly at 3 o'clock.

The Conference adjourned for lunch.

When the Conference met after lunch (Monday, 11th December 1922), the proceedings took place as under :—

Mr. Devadhar: Gentlemen, I think it is now 3 o'clock, and we must proceed further. I will, therefore, call upon Mr. N. M. Joshi to introduce the report of Sub-Committee No. 5. If you want to go away exactly at 5-30,

we will have to curtail the speeches as far as possible. I hope you will help me in cutting down the lengthy speeches, because we will have many speeches. I will ask Mr. Joshi to present the report of his Committee.

Resolution No. IX.

Mr. M. N. Joshi said as follows:—Mr. President and gentlemen, as the Chairman of Sub-Committee No. 5, I have the honour to submit to you the report made by that Sub-Committee. The Sub-Committee had to consider about 10 papers on the subject of policy and propaganda. These papers have been written on six different questions, but the main question is clearly the question of policy and propaganda. On that question and on matters dealt with in the different papers, the Committee has framed 4 resolutions. The questions dealt with in the papers are generally covered by these resolutions. Those matters which are not covered by these resolutions, the Committee thought, require a further investigation and more consideration outside this Conference. Without taking more of your time in general remarks, I shall therefore, introduce the first resolution as adopted by the Sub-Committee No. 5. It runs thus:—

“That the paper on the development of the work of the Bombay Central Co-operative Institute by Mr. R. N. Mehta be referred to the Institute for recommendation and such action as the Institute may deem proper after consultation with the Co-operative organisations concerned.”

Gentlemen, the subject matter of the paper of Mr. Mehta is the “development of the work of the Bombay Central Co-operative Institute.” Mr. Mehta suggests that the work of supervising the work of the Co-operative Societies should be entirely undertaken by the Central Co-operative Institute. He presumably wants that the Co-operative Department - the Official Agency - should cease doing the work of supervising the Co-operative Societies, and he wants that that work be done by the Central Co-operative Institute. In order that the Central Co-operative Institute should be in a position to undertake this work, he suggests further that the Institute should appoint a sufficient staff of senior and junior Inspectors. He also suggests that the Central Co-operative Institute should open more branches and also establish what he calls “Taluka Development Committee” and, in order to meet the necessary expenditure for the increased work, that will be thrown on the Institute, he also suggests some mode by which more money could be found. The Committee went through his suggestions and thought that they could not decide these detailed matters without further consideration and without the consultation with the Institute itself, and it, therefore, decided to pass a resolution to the effect that this scheme should be sent to the Institute in order that the Institute should study the subject still further in consultation with organisations, such as the Supervising Unions, the Co-operative Department, and other institutions concerned. I think the resolution is quite simple and does not require much discussion. I, therefore, hope that it will be accepted by you. (Cheers.)

The resolution being formally seconded was carried unanimously.

Resolution X.

Mr. N. M. Joshi said as follows in moving the second recommendation of his Committee:—

Mr. President and gentlemen, the second resolution which is proposed by my Committee runs thus:—

“That, in order to help the work of overcoming the growing evils of mismanagement and accumulation of overdues in Village Societies, the Branches of the Bombay Central Co-operative Institute should draw up a regular programme of instruction and propaganda, beginning especially with societies, classed C and D, and conduct it by well-educated and well-paid Secretaries under the guidance of Managing Committees and Honorary Organisers, who should fit in their own programme with the tour of the Secretaries, and draw up sketch lectures.”

Gentlemen, this resolution is based upon the paper written by Mr. Rothfeld, the Registrar. He says in his paper that the evil of overdues is growing; he also states in his paper that the Societies are not properly managed, and he feels that one of the remedies for this evil is that people should be educated on the principle and practice of the Co-operative movement, and, therefore, he suggests that the branches of the Central Co-operative Institute should make arrangements for the training and instruction of the members of the Managing Committee and the Secretaries of Societies, especially of Societies which are classed C and D. He also wants the members of the Managing Committee of the Branches and of the Institute to go about the villages, to see the Societies, and to help the Societies' Secretaries in arranging lectures as well as in helping the Societies in different ways. I think this resolution is very simple and does not require any long argument. I hope you will accept it without much discussion. (Cheers.)

The resolution being formally seconded was unanimously accepted.

Resolution XI.

Mr. N. M. Joshi, in moving the third recommendation of his Committee, which was resolution XI of the Conference, said thus:—

Mr. President and friends, the third resolution proposed by my Committee runs thus:—

“That the suggestions contained in paras. 1 and 2 of the paper by Mr. K. B. Bhadrapur are generally approved, and the Committee recommends that the Bombay Central Co-operative Institute and the Government should join hands in engaging the services of competent and experienced co-operators to write books on co-operation in the vernaculars of the Presidency.”

Mr. Bhadrapur's paper makes certain very interesting and instructive suggestions. He wants, in the first place, the Co-operative Societies to arrange some social functions, such as “At Homes,” dinners and other functions of a like nature, in order that the members of the Societies and other outside Co-operators should

come into touch with each other and exchange views and experiences about the co-operative matters. I think these suggestions are very useful. If the Co-operative Societies make use of these suggestions, they will be much profited. We do require in India that we should change our habits and be a little more social than we are at present. These social amenities are very useful in promoting the very cause which we have at heart. Sometimes they are more useful than formal discussions. I therefore, feel that this Conference will accept the suggestions. Of course, it is not expected that all these should be accepted by the Conference word for word. Therefore, the resolution of my Committee is that these suggestions should be generally approved. There is another point. In the third para. of his paper, Mr. Bhadrapur says that the Central Co-operative Institute as well as the Government should join hands in creating useful literature on Co-operative subjects. I think that that suggestion also is very useful, and I also think that the matter, covered by the suggestion has been much neglected both by the Co-operative people and the Government. We have been in this movement for a number of years and yet we have not got any literature in vernacular on the subject worth the name. I do not say that there are not books and pamphlets at all, on the subject. All I say is that what literature is available on the subject is not adequate for the purpose which it is intended to serve. The special point to be remembered in connection with the paper of Mr. Bhadrapur is that it says that the literature on Co-operative subjects should be in the vernaculars of the Presidency. I think Mr. Bahadrapur is quite right in insisting on having the literature written in vernaculars, for the movement is not meant for you or for me. The movement is intended for people, who do not and cannot read English. Therefore, it is necessary to create a literature in the vernaculars. It is the duty of the Government or the Bombay Central Co-operative Institute to create such literature in the vernaculars immediately. I hope, therefore, that his resolution also being very simple and uncontroversial will be accepted by you.

The resolution being formally seconded was carried unanimously.

Resolution XII.

Mr. N. M. Joshi in moving the fourth recommendation of his Subcommittee, said as follows:—

Mr. President and gentlemen, the fourth recommendation of my Committee runs as follows —

“That the report made by the Committee, appointed by the last Conference (1921), to consider the transference of the functions of the Registrar be approved.”

Gentlemen, the report mentioned in this recommendation has been circulated. The main point dealt with in that report is that in several matters the Registrar should generally consult the Bombay Central Co-operative Institute, before he takes action. Another suggestion in the Circular is that if a Society wants its Bye-laws to be amended in matters of principle, the Central Co-operative Institute, should be consulted. If a Society does not consult the Central Institute, the Registrar, before the sanctioning the amendment, should

consult the Central Institute. Another suggestion in that circular is that whenever the Government want to appoint Honorary Organisers the Central Institute and its Branches should be consulted. Then there is also a suggestion that the Branches of the Central Institute should watch all the Arbitration proceedings. There is also a suggestion that before any Unions are cancelled, the District Banks should be consulted. These suggestions are very useful. They will help the Co-operative movement as well as give the Central Institute particularly a firm voice in deciding certain matters in which all the Co-operators are keenly interested. I think these suggestions are allright. I think that the suggestion "to consider the transference of the functions of the Registrar" may not be considered by some to meet our aspirations, but we must remember that we cannot get everything that we want all at once. I am, therefore, quite satisfied, for myself, with what I have got to-day. I therefore, would like that the Conference also should be satisfied with what they have got to-day and should approve of this report of my Committee. (Cheers.)

Mr. Devadhar: In the circular, the Registrar has made a suggestion that as far as possible, that particular clause may not be printed. The Committee has been able to get round and accepted that the particular clause will be deleted. To that extent their right which they enjoyed uptill now—the statutory right—they had surrendered.

Mr. Rajadnya said as follows:—Mr. President and gentlemen. The Kulkarnis are practically village officers. If they work as Secretaries of your Society then there is a great misunderstanding in the minds of the people who believe that they act as such Secretaries in their Official capacity of Kulkarnis. This has been found out by some Collectors who have issued Circulars that the officiating Kulkarnis should not be allowed to do work of Secretaries of our Society. We have got that experience of people believing that the non-Vatandar Kulkarnis are working for Government, when they work as Secretaries for our Societies. Let them come as ordinary men, and not as Officiating Kulkarnis. It is for this reason that I cannot support this resolution. (Cheers.)

Mr. Devadhar:—The Circular issued by the Registrar was within the powers given to him. He has surrendered those powers to the Committee. What Mr. Rajadnya says is moving another proposition. It is not the intention of the Committee that the Kulkarnis, when they are Talatis, will be allowed to work as Secretaries. I can quote facts.

Mr. Rao Sahab G. H. Desai said as follows:—Mr. President and brothers, the point which has been raised by Mr. Rajadnya has been considered by the Registrar in his Circular. The Committee simply recommends that if other men are available to work as Secretaries, it is not necessary to ask the Kulkarnis or the Talatis to work as Secretaries. The Government resolutions are issued fixing the remuneration of Talatis, who work as Secretaries of the Co-operative Societies. There are several places where the Talatis have to work as Secretaries, because no other men are available to do the work. It is for the Societies themselves to decide whether a particular individual should be appointed to act as their Secretary or someone else. The Registrar, you know, at the instance or at the request of certain persons, issued a Circular that the

Talatis may not be appointed Secretaries of our Societies except with the concurrence and the will of the Committee. I think this Conference should rather not restrict the rights of the Committee as to the internal management.

The resolution of Mr. Joshi, after so much discussion, was formally seconded and unanimously accepted.

Consideration of Report of Sub-Committee No. IV.

Resolution No. 1.

Mr. Devadhar ; Gentlemen, with your permission we will first take into consideration the report of the Sub-Committee No. IV, because our old friend, Mr. V. H. Naik, who acted as its Chairman, has got some important work to attend elsewhere. I will call upon Mr. Naik to present the report of his Sub-Committee. (Cheers).

Mr. V. H. Naik, Chairman, Sub-Committee No. IV, said as follows :—
Mr. Chairman and gentlemen, my Committee had a paper before it on the subject of the Co-operative movement. We tried our best to give our attention to the subject, and in the report, we have got up, we have made two suggestions. First we make a suggestion relating to the Housing Societies. With regard to that suggestion I have to say this that you all know that there is a branch of the Co-operative movement which relates to the development of Housing Societies in this Presidency. We find that the Co-operative movement has made a tremendous progress in that respect, namely, in the direction of developing the Housing Societies. Then we suggest to develop the "Stores' Movement" which is extremely important. The Registrar has reported to the Government that Stores' Movement is in a very bad condition. It would appear that the gravity of the movement has not been appreciated. I will draw your attention to page 25 of the Registrar's report mentioned before. I want particularly to rivet your attention on the words "management of the 'Consumers' Societies."

Reads the paragraph on p. 25 of the Registrar's Annual Report on the Working of the Co-operative Societies in the Bombay Presidency for 1921-22, under the heading "Consumers' Movement."

Well, gentlemen, this is the para in the report of the Registrar which puts the whole present position in a nut-shell as regards the Stores' movement. I must say that the whole movement has come to a stand-still; therefore, the Sub-Committee has taken some pains to advise some agency, some method, by which this dwindling Stores' movement might be received, might be helped forward, and placed on its way towards success. The Sub-Committee has given its full attention to the subject, assisted as it was by very able men like Prof. Kaji. What the Sub-Committee has done is this. What the result of the deliberations of the Sub-Committee has been is this. We have come forward before this Conference with a resolution consisting of certain recommendations; we recommend that as an intermediate step towards the formation of a regular Stores' movement, there should be started a very simple organisation under the designation of the 'Buying Club.' They have to supply all the requisites and other things pertaining to the domestic requirements every day. People who want to be supplied have to register their demands, their needs; in other words, they have to indent for everything that they require; all the needs of the people should be registered in the Register-Book of the Buying Clubs. The Buying Clubs are like 'coors' of clubs. The term 'Buying Club' originates from the idea of getting orders,

sending them to wholesale merchants, getting goods from them, and distributing the goods all payments to be made being cash. In the case of such a system there would be very little of accountancy ; there would be the keeping of brief memoranda ; there would be no complex operation. The system involves one continued work ; when people want to buy anything, they enter their needs in the Register-Book ; the goods they want are got from wholesale merchants and distributed according to the orders. This is what is meant by 'Buying Clubs.' It is suggested by my Sub-Committee that such Buying Clubs should be formed wherever possible ; they are an intermediate step or what may be called a preliminary step towards the formation of regular Stores' movements. These Buying Clubs, according to the view of my Sub-Committee, fall under two categories. In the view of my Sub-Committee the Co-operative Societies should have nothing to do with the Buying Clubs, although they have similar objects in view. My Sub-Committee recommends that such Buying Clubs should be promoted as far as possible. That forms the first part of the Resolution I am going to move before this Conference. Then there should be some selected Co-operative Credit Societies which may, with the previous sanction of the Registrar, start Buying Clubs. They should appoint Secretaries or some other persons who will look after the clerical work or accountancy work, get orders from members, examine the credit of the members, get goods and distribute them. That is one more suggestion of my Sub-Committee ; we, in the Sub-Committee, have taken care to insist that all transactions of the Buying Clubs shall be cash transactions and also that the cash-balances of the Co-operative Credit Societies concerned are not involved in the transactions. That is an important provision we have made in regard to this recommendation. According to our Resolution we first recommend that Buying Clubs should be formed independently of the Co-operative Credit Societies, and we secondly say that where they are formed through the Co-operative Credit Societies, they should be so managed by the Co-operative Credit Societies, that the cash-balances of the latter be not involved in the transactions of the Buying Clubs. These are the principles underlying our Resolution 1. I do not wish to take much of your time ; I will simply read that resolution as it stands on the agenda.

It runs thus :—

"That this Conference resolves, as a training in Consumers' Co-operation and a preliminary step to the formation of regular Co-operative Stores, Buying Clubs or Associations be actively promoted as un-registered bodies by the Co-operative Department and the Central Co-operative Institute. This Conference also resolves that the existing Credit Societies should be allowed, with the approval of the Registrar, to work as Buying Clubs for the supply of household and other requirements of their members, strictly on indent basis, provided however, that the cash balances of such credit societies are not involved in the business thus undertaken."

P. K. Jambkhear. said as follows :—Mr. President and gentlemen, the question that arises in this resolution is "how are these goods to be bought?" The Sub-Committee says that the cash-balances of the Co-operative Credit Societies, managing the Stores Societies, should not be involved. I want to

suggest that this part of the resolution should be eliminated. I will tell you the reason why. Two years ago, when there was the question of scarcity of grain, and when there was the control exercised by Government on grain, Government had issued a Circular that certain approved Co-operative Credit Societies should open cheap grain shops, and that time, Mr. Ewbank had authorised all general Committees of those Societies to form separate Committees for purchasing grain wholesale. The general Committees were empowered to grant loans to other Committees for the purpose of purchasing grains on the wholesale system. If that could be done then, then under the Co-operative law, why should not certain merchants be allowed to work in that way or why the same concession be not given to some approved Co-operative Societies for purchasing grain on the wholesale basis and then supplying it on cash system? It may be not possible, in such a case, to collect the amount immediately, if there is any need for purchasing wholesale quantities. However, if the thing be done then, why can it not be done now? Will the Conference accept my amendment to the resolution moved by Mr. V. H. Naik?

Prof. H. L. Kaji said as follows:—Mr. President and gentlemen, on behalf of my Committee allow me to reply to the amendment which has been placed before us by Mr. Jambhekar. We want by the present resolution merely to take advantage of the existing organisation of the Credit Societies.. We do not want to take advantage of their money. We want to enforce cash payment because we want to pay cash for wholesale requirements. We do not want to work on credit system. That is the root basis of all the "Consumers' Societies' system." We do not want to depart from that. If it happens, as it happens in many cases, that the man is unable to pay cash, the Secretary of the Society can grant him loan. If he has a deposit account, he can draw on it from time to time, but the cash balance of the Societies should be strictly uninvolved in the operation. We cannot possibly accept the reverse position. We want the Credit Societies only to accept the management of the Stores' movement.

Mr. Bhadrapur said as follows:—Mr. President and brothers, I would like to support what Prof. Kaji said. I agree with the proviso that the cash balances of the Co-operative Credit Societies should not be involved in the business of the 'Stores' Societies, which the former will undertake. I agree with Prof. Kaji when he says "We are merely going to take advantage of the existing organisations of the Credit Societies." We want to graft the buying clubs on the Credit Societies only from that point of view. There is no question of the Credit Societies taking any responsibilities for managing the Stores' Societies or the Buying Clubs. We cannot accept Mr. Jambhekar's suggestion that loans should be made by the Committees to the unregistered Bodies. If this Conference is going to accept the suggestion of Mr. Jambhekar, it would be a very vague and a grave departure. I think it would affect the soundness of our Credit movement. I would strongly object to what Mr. Jambhekar said. I would rather put in my own amendment to the following effect:—

"That the financial responsibility of the Credit Societies need not be involved if the new business of the Buying Clubs, is to be included in the work to be done by the Co-operative Societies."

That is my proposition I would ask the Conference to accept it.

(Cheers.)

Mr. L. V. Kaikini: I beg to second Mr. Bhadrapur's amendment.

(Cheers.)

Mr. Naik: I accept Mr. Bhadrapur's amendment as a part of my resolution. The resolution was formally seconded and unanimously passed.

Resolution 2.

Rao Sahab K. H. Gokhale said as follows:—Mr. President and gentlemen, I have to place before you for adoption the second resolution of the Sub-Committee No. IV. It runs thus:—

“That this Conference resolves that the Bombay Central Co-operative Institute be requested to appoint a specially paid Officer to collect information about the market rates of prices useful to the Consumers' Societies, and to supply the information so collected to the affiliated Societies and Buying Clubs, wherever required and periodically.”

Gentlemen, last year the idea was that, of course, it was necessary that the Consumers and other Societies should have some information regarding the prices and the fluctuation in the market rates. Therefore, last year the Committee recommended that the Bombay Central Co-operative Institute should take up the work. The work was taken up. There were several appointments made by the Registrar which have now been abolished. If the work has been done by the Institute, the difficulty is this, that you cannot do without some special Officer being appointed and assigned some responsibility. Otherwise the work cannot be done. Therefore, this resolution is now recommended to you by Sub-Committee No. IV. I hope you will accept it. (Cheers).

Rao Bahadur S. S. Talmaki said as follows:—Mr. President and gentlemen, since this resolution throws some financial responsibility on the Bombay Central Co-operative Institute, I beg to say a word or two on this resolution. Gentlemen, it is very easy to make any proposal for the appointment of an Officer, but unfortunately the cheques issued by the Institute will not be honoured by the Government Treasury for the payment of this Officer. Consequently, we must cut our coat according to our cloth. The appointment of an Officer is not the appointment of an ordinary clerk. The appointment of an Officer must necessarily and seriously curtail our finances. I would suggest an amendment to the following effect:—“provided the amount necessary for such an appointment is made good by the Stores concerned.” I say that if all the Societies would contribute towards such an appointment the Institute will be, very glad to undertake the task. Otherwise, the work would be shelved. I have therefore, suggested this amendment that all the Stores' Societies should contribute a sufficient amount towards the cost.

A Delegate: You want to escape your responsibility (Laughter).

Mr. V. L. Metha: I beg to second the amendment of Rao Bahadur Talmaki.

Mr. J. C. Nanavati said as follows:—Mr. President and gentlemen, I oppose the amendment moved by Rao Bahadur Talmaki. If the Institute has

no funds to appoint and maintain a special Officer, and if the Institute and its branches want to promote Buying Clubs, and if the cost of the special Officer exceeds the finances of the Institute, then I would move the following amendment, namely, that we should delete the words "to appoint a specially paid Officer," in line 2 of the printed resolution. Then the resolution would read like this: "This Conference resolves that the Bombay Central Co-operative Institute be requested to collect information about the market rates of prices useful to the Consumers' Societies and to supply the information, so collected, to the affiliated Societies and Buying Clubs whenever required and periodically." Gentlemen, till we have a sufficient number of Buying Clubs, it would be absolutely useless to appoint one Officer. If you appoint one Officer, no Societies would come forward to supply the funds. Under these circumstances, till the time arrives for the appointment of a special Officer, I think my amendment will suit the purpose.

Mr. K. N. R. Ranina: I beg to second the amendment moved by Mr. Nanavati, namely, that the words "to appoint a specially paid Officer" be deleted from the second line of the printed resolution.

Prof. H. L. Kaji said follows:—Mr. President and gentlemen, I would like to make the resolution a little clearer, as it has been misunderstood. What is the resolution? The original resolution says this. (Reads the resolution.)

It seems from what everybody has spoken that the idea of the collecting information is quite agreeable. Surely, all of you believe that the information can be collected. Now if I want to promote the consumers' movement in the City and the Presidency of Bombay, how can you do it unless there is a Central Information Bureau, which is advocated by Mr. Potnis in his Note? How can you proceed without the help of the Central Information Bureau? Unless we have something like that, we cannot possibly go on. How to collect this information otherwise, is a great problem. The natural solution of the problem is that the Institute is the proper agency to collect that information, but to ask the Institute to do more than what it can seems to be foolish. To ask the Institute simply to collect information in any way it likes seems to be asking the Institute to do something which it would not be properly able to do. Therefore, we suggest the appointment of a specially-paid Officer to collect the information. Rao Bahadur Talmaki has brought in the question of financial burden. The financial burden in respect of appointing a special Officer should not be shelved, because the Stores' Societies are a part of the Institute itself. The Institute, I think, ought to undertake the burden and meet a part of the cost of appointing the Officer. The rest of the cost may be made good by the Stores' Societies. If the Officer makes enquires and finds that the Stores' Societies are not willing to bear the expenses, and if the Institute cannot also bear the expenses, then let the proposal fall flat. Let the Institute report and say that it cannot do anything. We recommend to the Institute that the Stores' Societies be requested to contribute a little towards the expenses and not give the whole of their income, and we also recommend that the Institute must shoulder some responsibility itself.

Mr. Deorukhkar said as follows :—Mr. President and gentlemen, I would point out that this resolution refers mostly to the City of Bombay. I think the Provincial Co-operative Conference has no reference in this resolution to what pertains to outside the City of Bombay.

A Delegate : The resolution refers to the whole of the Bombay Presidency.

Mr. Deorukhkar continued : If the market rates are to be given they should be given for Cities like Poona, Bombay and Sholapur, and it is impossible for the Institute to appoint so many Officers to collect information from different Cities. It would be useless to appoint an Officer for Bombay only, under the circumstances. Therefore, the resolution should be taken by the City Conferences.

Rao Saheb K. H. Gokhale said as follows :—Mr. President and gentlemen, the Stores' Societies in the mofussil have to obtain information from Bombay, because they have to purchase everything in Bombay. Therefore, the Officer appointed in Bombay, will be useful to the Mofussil Societies also. With regard to this subject Mr. Potnis gives ample information in his Note.

Mr. V. H. Nask said as follows :—Mr. President and friends, a special Officer is certainly required for Bombay, as Bombay is the Chief market for the Mofussil merchants to buy goods from. At present, for all the kinds of goods required by the Mofussil traders, the traders have to approach the Bombay wholesale merchants through Agents or "Dalals." Therefore, it is perfectly advisable to have a specially paid Officer for Bombay. The term 'Officer' need not frighten us. (Cheers.)

Mr. Nanavati : I want to say again on this resolution.

Mr. Devadhar : You cannot speak again on the same resolution.

Mr. L. S. Potnis said as follows :—Mr. President and gentlemen, of course, I support Rao Bahadur Talmaki's amendment. If anything must be done through the Institute, it must be done in a business-like way. The Institute should not be made to pay any additional expenses for doing the extra work that would be thrown on it. So, I say, that whether you have in view a Stores' Society or a Producers' Society, you must have to depend upon getting information from Bombay, and, consequently, you have to pay to the Officer who supplies you that information. Therefore, on the income of the Central Institute there should be thrown no additional expenditure but only the actual expenditure incurred for its own business. The extra expenditure of the Institute the other Societies concerned should contribute if they want the services of the Institute. We want only one Officer to appoint for the purpose in view. We should not have either a big Office or a big establishment. The work to be done by the Officer should not be the Agency work alone. The Officer is to be in Bombay. He will purchase goods and despatch direct to the merchants in the mofussil.

A Delegate : Let there be an Honorary Officer.

Mr. F. T. Nalavadi said as follows:—Mr. President and gentlemen, if you want to give encouragement to the Consumers' Societies and other Societies, you cannot do it without arranging to give them full information. Without full information, I think, the administration of the Society would be very difficult to carry on. These Societies would be in the mofussil, and they must have some arrangement available by which they can be supplied with information as regards the prices prevailing in Bombay. I think, it is very easy for such Societies to pay their quota of the additional expense incurred by the Central Institute. It is only when we visit the bazaar that we know the prices of the day. If we want to have some information from the bazaar we would be under the necessity of having access to the sources of correct information. We must have somebody to go round and collect information. My suggestion is that without being supplied with such information, it would be very difficult to run the Buying Clubs or the Consumers' Societies. You must look to somebody—the Central Institute or someone else—to do the work of getting full information for the benefit of the Stores' and other Societies. It would be very difficult to do the work without a special officer, and he must be paid his salary. It may be partly paid by the Institute and partly by the Societies that seek the bazaar information. We can thus get information from all the Presidencies. By this method of collecting information, the Central Institute would be in a position to supply the mofussil traders with the necessary data. I, therefore, support the view placed before the Conference by Prof. Kaji, and I hope that you also will agree with it.

Mr. R. N. Mehta said as follows:—Mr. President and gentlemen, I wish to say with reference to the second amendment, which has been suggested that the Stores' Societies are still in their infancy and so they should not be made to bear the whole burden of the expenses, which the Institute will have to incur. True it is that the Institute has full sympathy for the aims and objects of these Consumers' Societies, and it will help them to the fullest extent. We are going to pass a resolution asking the Institute to pay for supervising Officers regarding the C and D class of Societies. We also say that the Institute is required to keep a well-managed staff at the Head Office and the Branches. Now, if this expenditure must be met from the present funds, indeed we can also get funds for the Officer doing work for the Consumers' Societies. There is another point. Someone has said about appointing honorary agencies to supply the Societies with necessary information. With regard to that suggestion, there is one drawback. For instance, suppose we pass a resolution that the Institute should supply this information through honorary agencies, it has to be remembered that such an honorary agency must be a very efficient agency. If the Institute engages an inefficient agency and if it fails to supply proper information to its constituents, the Institute will be again attacked. It will again be open to attack next year as it has been attacked this year for there being no supervision. I do not wish the Institute should be placed in that situation. Therefore, I think the amendment No. 2 should not be accepted.

Mr. J. C. Nanavati:—There has been some misunderstanding which I want to clear.

Mr. Devadhar : You have already spoken, Mr. Nanavati. Gentlemen, we have got two amendments before us. One suggests the elimination of the words "to appoint a specially-paid Officer" from the resolution. The second amendment suggests that the expenses incurred for the appointment of the Officer should be partly borne by the Institute and partly by the Stores' Societies concerned.

Finally the resolution was passed unanimously to the following effect :—

"This Conference resolves that the Bombay Central Co-operative Institute be requested to collect, if possible, information about market rates of prices useful to the Consumers' Societies, and to supply the information so collected to the Affiliated Societies and Buying Clubs, whenever required and periodically, provided that such Societies are willing to contribute towards the cost of collecting the information."

Resolution 3 of Sub-Committee IV. Free Audit.

Prof. Kaji moved the third recommendation of Sub-Committee No. IV.

"That this Conference resolves that the Registrar be requested to undertake free audit of the Co-operative Stores' Societies with a working capital not exceeding Rs. 10,000."

He said this resolution is so simple that it hardly needs any comments from me. Co-operators as you are, you all know the present rule and practice of the Registrar, that it is within his discretion to exempt certain Societies from the audit fees, that is the Societies whose working capital does not exceed Rs. 10,000. In this resolution we claim that there should be no question of discretion. The Registrar should give in every case a free audit to the Stores' Societies, the idea simply being to strengthen the work of the Stores' Societies. Inefficient audit is never a boon. It is always a curse. It being so, we want to have an efficient audit by the Registrar free of cost, in order to get to our Stores' Societies the greatest possible strength. There should be no difference of opinion whatever as regards this point. Perhaps, some may desire an extension to those Stores' Societies which have a higher capital. I may mention that there are very few Stores' Societies whose working capital exceeds Rs. 10,000 and these few can themselves provide for an efficient audit. I know of several cases in which there is an efficient audit ; so that, we need not look to all those cases. A majority of the Stores' Societies are within the limit of Rs. 10,000 and our object is to provide them with a free and efficient audit. I hope you will accept this resolution unanimously.

Rao Bahadur S. S. Talmaki said as follows :—Mr. President and gentlemen, with regard to this resolution, in the first place, I beg to point out that the Registrar has issued an order on the subject matter of this resolution and there is already a provision made under the rules to audit the accounts in the case of Stores' Societies having the working capital of Rs. 10,000. The point is this that the resolution now before the Conference is already covered

by the Rules on the subject. That is one point. The other point is this: last year at the Conference of Stores' Societies, which was presided over by my friend Mr. Madan in April last, it was resolved that the Registrar's Department should be approached to audit the accounts of all such Societies for at least 2 or 3 years, on the ground that the Stores movement was still in its infancy. I have recently addressed a letter to the Registrar on the subject, pointing out to him the resolution of the April Conference and asking him for some information on the point. As the matter is in that stage of progress, I think if this Conference were to pass the present Resolution, it will be stultifying the resolution passed by the Conference of Stores' Societies in April last. I would, therefore, request Mr. Mehta to drop this resolution in view of the fact that already correspondence is going on between the Central Institute and the Registrar on the subject.

Rao Sahab G. H. Desai said as follows :—Mr. President and gentlemen, the Registrar has got discretion in regard to the auditing of the funds of the Stores' Societies. So far, he has not charged for auditing the funds of the Stores' Societies, with the working capital of Rs. 10,000. If any such Society were to apply to him for audit, he is already given the discretion to comply with such a request. In view of this aspect of the situation, I think the present resolution is only one of academical interest as far as the interests of the Stores' Societies are concerned. Therefore, I do not think it is necessary to discuss the resolution at a very great length. To this Conference also this resolution is of no more than academical interest. So this Conference may pass it or throw it out; that would make no difference as regards the actual working of the Registrar's Department in the direction referred to in this resolution.

Prof. H. L. Kaji said as follows :—Mr. President and gentlemen, there seems to be difference of opinion on this question. Our idea in placing this resolution before the Conference is this that—to put it briefly—we want compulsory free audit apart from the discretionary powers of the Registrar, that is the point which I am trying to explain in one word. We know that the Registrar will carry on the audits according to his discretion, but what we specially want is to ask him to undertake a free audit of the Stores' Societies with the working capital of Rs. 10,000. Such an audit will give strength to the institutions concerned; that is what we want so long as the Stores' movement is in its infancy. During that period we want a free audit and a compulsory audit; but for the audit by the Registrar's Department, the audit of the Stores' Societies will always remain inefficient. That has been the experience of my Sub-Committee No. IV. That precisely was the view, if I remember correctly, put before the Stores' Conference held under the presidency of my friend, Mr. Madan; we said that a free and compulsory audit was necessary and desirable; whether the Registrar will undertake the thing or not is not for me to say nor for you to say too. It is for the Conference to request him to undertake a free and compulsory audit. If the Registrar does not find it convenient to meet with our resolution, then we say that if the Government have advocated the audit of Co-operative Credit Societies, there is no reason why the Registrar should not undertake an additional duty connected with the Co-operative movement. He has done his best for the Credit Societies; why should he not do his best for the Stores' Societies? Both the Societies need his attention equally well. If the

Credit Societies want the audit, the Stores' Societies want the audit the more, for they are more likely to go wrong in the absence of an audit; therefore, we want compulsory and free audit of the Stores' Societies at the hands of the Registrar's Department.

Mr. F. T. Nalavadi said as follows:—Mr. President and gentlemen, as regards the free and compulsory audit of which Prof. Kaji has spoken to the Conference, I would like to say that the Housing Societies are also being freely audited by the Registrar's Department. They are a more costly concern than the Stores' Societies. Yet as a matter of encouragement, they are not charged fees for being audited; that is the state of things at present with regard to the audit of Housing Societies. Therefore, we urge that, as a matter of encouragement also, there should be a free and compulsory audit in the case of the Stores' Societies. They should be treated by the Registrar's Department on the same footing as the Housing Societies in relation to the question of audit.

Mr. K. B. Bhadrapur said as follows:—I do not want any audit at all by the Registrar's Department for the Stores' Societies. The Government audit is the most inefficient audit. (Cheers.)

Mr. Devadhar: The resolution has roused sufficient discussion. It now stand thus:

“That this Conference resolves that the Registrar be requested to undertake compulsory and free audit of the Co-operative Stores' Societies with a working capital of Rs. 10,000.”

The resolution being formally seconded was carried with one dissentient vote.

Resolution 4 of Sub-Committee No. IV.

Prof. H. L. Kaji said—Mr. President and gentlemen, the next resolution refers to the Housing Societies. It runs thus:—

“That this Conference resolves that the Housing Societies for rural areas should be started on the lines suggested in Mr. V. H. Naik's Note.”

Gentlemen, Mr. Naik's Note on this subject has been circulated, and so you must have examined it. Therefore, I do not think I need make any remarks; only if any remarks be made by other gentlemen, I shall reply; there is no use taking up your time unnecessarily in making preliminary remarks (Cheers.)

Mr. Devadhar: Gentlemen, Prof. Kaji has moved this resolution in the absence of the gentlemen who ought to have placed it before the Conference. If you want this resolution to be dropped now, we will take it up next year, so that it may be properly discussed.

Some Delegates: Yes.

The resolution was taken as dropped unanimously.

Resolution 5 of Sub-Committee No. IV.

Prof. H. L. Kaji moved the fifth resolution with the following speech :—

Mr. President and gentlemen, I beg to move the next resolution which runs thus :—

“ That this Conference resolves that the Central Co-operative Financing Agencies be requested to consider the advisability of granting financial aid to the Housing Societies as to other Societies.”

Gentlemen, in placing this resolution on behalf of my Committee No. IV, it appears to me that no other member of the Committee is present to-day.

Rao Bahadur S. S. Talmaki said as follows :—Mr. President and gentlemen, I was not present in the meeting of Sub-Committee No. IV. I can not give you the details of the discussion that took place there. I would point out the difficulty of getting very large assistance which we expect from these banks. Gentlemen, Housing Societies require loans at a very low rate of interest—from 5 to 6%. Now, in view of that fact that the banks are not in a position to grant loans to the Housing Societies at a lower rate of interest than that of 7 or 8% I do not see the utility of this resolution. Government grants loans to the Housing Societies at the rate of 6%. Therefore, the Housing Societies will not be benefited by taking loans from banks at rates higher than that of 6%. That being so, I again say that I do not see the utility of moving this resolution before this Conference.

Mr. P. K. Jambhekar said as follows :—Mr. President and gentlemen, the position is this. Government has extended a very beneficial concession to the Housing Societies by granting loans in the proportion of one to three. Therefore, I do not think this resolution would be of any great use to the Housing Societies. The Financial Agencies will not be able to grant loans to these Societies according to the graduated scale granted by the Government. It is impracticable for these Agencies to quote cheap rates of interest. Therefore, I do not think that any Housing Societies will ask for the help of the Financial Agencies, because they are not likely to get that help at low rates of interest. Therefore, I would suggest that this resolution also be dropped.

Mr. A. R. Ranjit said as follows :—Mr. President and gentlemen, in the report of the Chairman we are told that only 5 lakhs of rupees are allowed per year by Government. That help is insufficient for the purpose in hand. We know that there are many Housing Societies coming into existence in Bombay, and they want more than 5 lakhs. They are ready to pay even 9% interest if they get financial assistance. What I say is that we will not be ruined by recommending this proposition to the Registrar; on the contrary, we shall be giving facilities to the Housing Societies to get loans from the Banks; they would thus be able to carry on their work immediately instead of waiting for the next year or two to get grants from the Government.

Mr. Devadhar : The Registrar says that no Housing Societies approached him for help last year.

Mr. Ranjit : The Housing Societies do not come to the Registrar for help, because they know that the amount that will be given by the Registrar is not sufficient for launching their schemes.

Mr. Devadhar : The Registrar says that because no demand was made by the Housing Societies from him, the one lakh of rupees which Government had placed at his disposal for this purpose had lapsed to Government last year.

The resolution was eventually unanimously dropped.

Resolution 6 of Sub-Committee No. IV.

Prof. H. L. Kaji moved the sixth resolution to the following effect :—

“That this Conference resolves that all the Housing Societies should fix 998 years as the period of lease on which lands and buildings may be leased to members.”

Mr. F. T. Nalavadi : This resolution is in conflict with the provisions of the Land Revenue Code. Instead of speaking of ‘in perpetuity’, we should say ‘the assessment being revised at the period of every fifty years.’ If the present resolution is to become effective, the provisions of the Land Revenue Code have to be abrogated.

Rao Bahadur Talmaki said as follows.—Mr. President and gentlemen, at one time there was a conflict of opinion between the Registrar and several Housing Societies who said that leases in such cases be given for the period of 999 years, so that they could lease them out to others for the period of 998 years. But the Registrar thought that such a period would be illegal, and the question was referred to Government, who issued a resolution thereafter to the effect that the leases for such a period would be quite legal. In view of that resolution of Government the proposal before this Conference is quite out of place.

Mr. Bhadrapur : I think so.

Mr. Ranjit : It is quite out of place, so it should also be dropped.

A delegate : Let us alter the law.

The resolution was eventually unanimously dropped.

CONSIDERATION OF REPORT OF SUB-COMMITTEE No. III.

Mr. Devadhar said as follows :—Gentlemen, before we come to discuss the recommendations made by the Sub-Committee No. III, I want to make an announcement that to-morrow (12-12-22) at 6 o'clock in the evening, the Hon. Mr. Lalubhai Samaldas will be “At Home” to the delegates of this Conference in the hall of Servants of India Society, Sandhurst Road. I request all the delegates and the guests of this Conference to attend this “At Home.” There is another announcement that I have to make. We expect our President, the Hon. Mr. Mehta, to be present in this Conference to-morrow, and it is proposed to take a photograph of all the delegates and other gentlemen, who have been gracing this Conference with their presence. The photograph will be taken in the

grounds of this building at 1-30 P.M. I hope nobody will be absent on that occasion. (Cheers.) I now call upon Mr. F. T. Nalavadi (Dharwar) Chairman of Sub-Committee No. 3, to place before the Conference the resolution of his Committee.

Resolution No. 1 of Sub-Committee No. III.

Mr F. T. Nalavadi, Chairman, Sub-Committee No. 3, moved the nineteenth resolution in the following terms :—

Mr. President and gentlemen, I take the honour to present the report to the Conference on behalf of Sub-Committee No. 3 of the Conference. Instead of going through their report, I would like to take up the resolution contained in the report and go through it piece by piece. I will read the resolution which is to the following effect :—

“That in the opinion of this Conference the Producers’ Societies should ultimately be financed by a special agency. Meanwhile, until the demand for financial aid is sufficient to justify the establishment of a special Bank or Banks, local, urban and District Banks, should be encouraged to finance the Producers’ Societies.”

Gentlemen, the principle underlying this resolution, which is the first recommendation of my Committee, has been fully explained in the paper written for the Conference by the Registrar of the Co-operative Credit Societies, so I need not dwell on it at any length. Of course, the point of importance is to have the special Banks to finance the Producers’ Societies. The growth of the Co-operative producers’ Societies entirely depends upon the speedy way of financing those Societies. So, we, Co-operators, interested in the Producers’ Societies, are more interested in seeing that those Societies are having good stores and are financed by some Central agencies. No doubt, it is the admitted principle of the Co-operative Movement that there should be one Central Agency, *i. e.* for an urban area we should have an urban Bank, and for the whole District area we should have a Central Bank, so that the Central Bank can finance the Societies needing their help. At present, there is a very limited financing of Producers’ Societies, because the Banks cannot have any hold over the goods which are manufactured by the Producers, and the Producers, being men of limited means, cannot give proper securities for the loans that they require. Besides, they are staying far away from the head quarters of the District Banks. Consequently, the Producers’ Societies are not getting that help which the Resource Societies are getting from the District Banks. So far as the position of the Urban Banks is concerned, some of them are not allowed to finance the Producers’ Societies. Generally, the Urban Banks are restricted to finance the credit movement only. So, there is no sufficient encouragement for financing the Producers’ Societies. Some of the Urban Banks having got by-laws of having these Producers’ Societies affiliated, as their members, have facilities to supply loans to these Societies. We have thus arrived at the conclusion that we must have some financing agency to finance the Producers’ Societies. We must see our way as to whether we can find out the way of bringing about the fruition of this resolution, and, so my Sub-Committee has agreed to the principle that there should be one Central

Financing Agency on the Producers' side, as there is already one on the Resource side. The Provincial Bank may not take the responsibility of financing the Producers' Societies. We must have such Agencies when there is a demand for them. It is no use creating Central agencies without there being any demand for them. We must work in a business-like way, and consequently, the Committee, which I represent, has agreed to the principle of having a Central Bank. At present, we have such a Central Bank and we suggest that the urban and local banks may be allowed to finance the Producers' Societies. With these preliminary remarks, I say that after a great deal of discussion over the letter written by Mr. R. M. Mehta, we have arrived at this conclusion, and so, I wish that you will pass the resolution unanimously which we commend for your acceptance. (Cheers.)

Mr. C. S. Deole, said as follows :—Mr. President and gentlemen, the resolution that has been before you is a very modest resolution. It has been very modestly worded. I must tell you what happened in the Committee and also what was in the mind of the Committee in recommending this resolution for your acceptance with great force. The idea is that the Producers' Societies are now developing, and the Committee considered on what lines they should develop. It was said by the Registrar that they should develop on socialistic lines. Let me define the word "socialistic lines". They mean the lines which will protect the manufacturer from the Capitalists. In considering this resolution, the Committee were very cautious, and consequently the resolution which is before you is very cautiously worded. We do not go the whole hog with the Registrar, who says that the Producers' Societies should develop on socialistic lines. We considered the situation, we examined it to see whether there was no 'clientele' for such Banks, and we found there was "clientele." From the Registrar's report you will see that there are in all 49 Weavers' Societies, which will be considered the Producers' Societies. We considered whether there was material enough for such Banks being started at places like the Banks' Headquarters. The proposal of the Registrar was that the Banks be started at Headquarters. The proposal of my Committee is that the Banks may not be started at Headquarters; but that small Banks or Unions be started such as are at Hubli and Sholapur. We recommend the starting of such small organisations. Therefore, the wording of the resolution is very carefully adopted. The resolution only demands financial aid and speaks of necessity for sufficient justification for the establishment of big Banks. At present, the resolution does not recommend the starting of Producers' Banks at once, but some such organisations, some such Agencies, which might meet the local requirements of the Producers' Societies. The resolution says that such small organisations may be started. With regard to the recommendation of the Registrar that the Bank should be on socialistic lines, I say it is very difficult to say whether they can be started on such lines, if the word "socialistic" is to be taken in its true sense. If it is to be so taken, I would certainly not go in for "socialistic lines." I am sorry the Registrar is not here to-day, but if there are many Capitalists here, and if they are thinking of having Producers' Societies, I am afraid no help will be available to them to develop the Banks on the socialistic lines. There is a difference, there is antagonism, between the Capitalists and Labour. We are going to develop the Banks on what is called Co-operative lines. Co-ope-

rative line is not necessarily a socialistic line. There may be co-operation on Capitalistic lines. So, we recommend that we should not develop on socialistic lines. We may develop on Co-operative lines as far as possible, and as soon as the demand is visible. With these words, gentlemen, I beg to recommend this resolution for your acceptance.

Rao Sahab G. H. Desai said as follows:—Mr. President and gentlemen, you have heard the resolution read. What I propose is that the Conference should omit the words “and District” from the last but one line of the printed resolution, and only allow the following words to be retained, namely, “local and urban Banks.” There are three distinct branches of Societies, namely, Reserve, Consumers’ and Producers’. They are distinct from each other. Their interests may clash. For instance, the Reserve movement or the District Central Banks which are made to finance the Reserve movement may not like to finance the Producers’ movement. The underlying principle of the three movements is rather different. Another point which has been noticed by the Registrar in his paper appears in para 2 of page 32 of his report. (The passage was read by the speaker.)

There are three ways in which the Producers’ Societies should be financed. The Central Banks will not have the establishment necessary to supervise the Producers’ Societies locally. The Producers’ Societies ought to have their stock checked from time to time by the urban Banks or the local Agents of the urban Banks. The urban Banks should, therefore, be allowed to finance the Producers’ movement. This is what I am asked by the Registrar to place before this Conference. I hope you will consider the Registrar’s point and agree that the words “and District” be omitted from the resolution.

Mr. B. F. Madon said as follows:—Mr. President and gentlemen, I beg to suggest that the wording of the resolution should be a little modified. I would suggest the omission of a portion of the first line and all the words excepting the last three from the second line of the printed resolution, that is to say all the words beginning with “in the opinion” and ending with “meanwhile”. The resolution would thus read to this effect:—

“That in the opinion of this Conference until the demand for financial aid is sufficient to justify the establishment of a special Bank or Banks, local, urban, and district Banks should be encouraged to finance the Producers’ Societies.”

We want the resolution to be entirely differently worded. It is no use expressing a pious hope which the Conference will not be able to fulfil. The Producers’ Societies is a very intricate problem to deal with. We have great sympathy with the Registrar’s view that the Producers’ Societies should be properly financed. However I think that the resolution would be better worded by omitting the first two lines nearly of the resolution. The resolution should begin to read from “Until the demand.” Mr. Desai wants the Conference to omit the words “and District” from the resolution. I cannot agree with him. If the Producers’ Societies are to be financed, they must be financed by the financial Agency nearest to such Societies. The financial agents will have to go out or send officers out to check the stocks of the Producers’ Societies. They will have a lien on the stock for raw materials or finished products of these Producers’

Societies and will have to keep a close check on the stock and godown books. Such financing can only be done where the Producers' Society—the borrower—and its lender are in close contact; otherwise it is a very risky operation. I therefore think that the right agency for such finance is the local or District Bank of the place where a Producers' Society may be at work. It is very risky for any financial agency at a distance and not in constant touch to undertake such work, because not only has it got to see that the goods on which it has a lien are duly accounted for, but also that there is a constant and regular turn-over, because otherwise it might find its resources locked up in such Producers' Societies and in the end get into difficulty itself. I therefore consider that the local or District Bank of the place where a Producers' Society is working is the right agency for financing such Society.

Mr. C. S. Deole said as follows:— Mr. President and gentlemen, the amendment proposed by Mr. Madon cuts at the very root of the proposition before the Conference. If you accept the amendment, better drop the proposition. What we considered in the committee was what the Registrar wants to be done in the matter. What I mean is that the Registrar wants to impress upon you—the Committee went into the matter thoroughly—whether it is necessary to have any special organisation for financing the Producers' Societies. You have to consider whether the Producers' Societies may have their own agencies like the Co-operative Credit Societies. Let the progress be made step by step. There may be special agencies established for financing the Producers' Societies. That will be the general proposition for you to accept. If you take away that proposition, if you accept the amendment, you cut at the very root of the principle underlying the proposition. In that case the proposition will not have any value. Therefore, I request you, gentlemen, not to accept the amendment but to accept the proposition itself; because the principle underlying it is very important. The gist of the proposition is based on most useful lines.

I request you, therefore, to adopt the proposition that is moved before the Conference.

Mr. M. R. Tarkunde said as follows:—Mr. President and gentlemen, so far as the District Banks are concerned, I have to bring to the notice of this Conference the fact that the District Banks have financed the Producers' Society in my part of the country, where the Producers' Society has been formed for the purpose of manufacturing brass and copper pots. This Producers' Society was financed under the authority of the Registrar. I think there is nothing in the rule framed for the Central Bank which could prevent the District Bank from financing that Society. There is no compulsion that they must finance so many Societies. They may not finance any. In my opinion the District Banks should not be excluded from being a Financing Agency, which ought to finance the Producers' Society. (Cheers.)

Prof. Kaji: I would suggest a little addition. I would ask the Conference to add the words "and the Central Provincial Bank" after the words "District Banks" in the fourth line of the printed resolution. I am sure Mr. Madon will accept the suggestion.

Mr. B. F. Madon said as follows:—Mr. President and gentlemen, I have no objection to the addition of the words "and the Central Provincial

Bank," but I would like you all to remember what I said, that we should remember the principle that where such loans are to be made, it is advisable that the borrowers and lenders should be in close contact. I am speaking for myself only and not for my co-Directors. I am speaking for myself. I do not want to bind my Board. However I feel confident that where it is possible for our Bank to maintain the necessary close touch, our Bank will be pleased to finance such Producers' Societies. A close contact between the borrowers and lenders adds to the security of the loan. We always like to help the Societies whenever we can do it on sound lines. Therefore, I have no objection to add to the proposition the words suggested by my friend, Prof. Kaji. (Cheers.)

Mr. Devadhar : Gentlemen, the proposition is placed before you by Mr. Nalavadi and seconded by Mr. C. S. Deole. It was read before you. A slight modification has been suggested. The amended proposition has been sufficiently discussed. I will now put the amended proposition as a substantial proposition. It runs thus :—

"That in the opinion of this Conference, until the demand for financial aid is sufficient to justify the establishment of a special Bank or Banks, local, urban and District Banks and the Central Provincial Bank should be encouraged to finance the Producers' Societies."

The proposition was formally seconded and unanimously carried.

The following resolutions 2, 3 and 4 were then accepted by the conference.

Resolution No. 2.

"That in the opinion of this Conference as the Sub-Committee No. 3 cannot come to any definite conclusion after much discussion, Mr. Potnis' paper (III-A) should be referred to the Central Co-operative Institute for opinion."

The resolution was formally moved and seconded and unanimously carried.

Resolution 3.

"That in the opinion of this Conference, as the subject dealt with in paper (III-E), namely, "Printing Press for Co-operative Societies," is still in its experimental stage, it may be tried in the Division where the necessity is felt, and the recommendation may be made after it is sufficiently tried. The subject is, therefore, dropped for the present from the deliberations of the Conference."

The resolution was formally moved and seconded and unanimously carried.

Resolution 4.

"That in the opinion of this Conference, Mr. Potnis' paper as regards "Labourers' Societies" was read and considered, and it was resolved that it should be referred to the Standing Committee of the Bombay Central Co-operative Institute."

The resolutions were formally moved and seconded and unanimously carried.

Resolution No. 2 of Sub-Committee No. III.

Mr. F. T. Nalavadi said as follows:—Mr. President and gentlemen, I beg to move the second recommendation of my Sub-Committee in the shape of resolution XXIII of the Conference. It runs thus:—

“That this Conference recommends that Co-operative Societies for the manufacturing works such as gins, presses and mills, should make a necessary provision to allow labourers to share in the raising of capital, administration and the division of profits.”

I hope you will allow me a little time in explaining the principles that are involved in this resolution. The subject-matter of this resolution was placed before the Sub-Committee for discussion and the result of the discussion is in the wording of the resolution, which you all see. The thing is this. In the case of such manufacturing Societies, there is a likelihood of having dispute arising between Labour and Capital. In order to avoid these disputes arising at a certain stage, this resolution has been recommended to you. We all know that it is very difficult to solve this question of disputes between Capital and Labour. That is a question found not only in India, but in the whole world. We say that this question of Capital and Labour has become a very vexed one. No solution on any clear basis can be brought about for this question, and yet we, all the Co-operators, have to find out some solution, and for that purpose we had to consider what was the best that could be done; we had to consider in what way the concession should be given to the Labouring classes in order “to share in the administration, in the division of profits and in the raising of capital.” We have thought over the matter in the belief that any solution on any clear basis can, of course, be a preferable thing, because we wanted to avoid the hitches as far as possible. These are the concerns in which we cannot dispense with the Labouring classes. It is quite likely that there may be strikes as the result of one class getting the lion's share of the profits. It is quite likely that the labouring classes will be dissatisfied. It is for this purpose we wish that there should be representatives of the Labouring classes and the representatives of Capital to sit as members of the Standing Committee. We also wish that Labour should have some bonus at the end of the year in proportion to the profits and that they also be allowed to purchase shares. It is with that view that we recommend this proposition to the Conference. We have also spoken of “gins, and mills”, whose labourers should be allowed “to share in the raising of Capital, administration, and the division of profits.” I think we have been sufficiently clear as regards the principles underlying the resolution that are agreed upon. With these words I formally move the resolution for your acceptance. (Cheers.)

Mr. B. F. Madon said as follows:—Mr. Chairman and gentlemen, I would like to say a few words on this resolution. I have great sympathy for the labour movement. I wish that the labourers should have a share in the profits derived from their labour. On principle I would welcome, certainly welcome, such labour movement on the co-operative basis. But I am afraid the time is not

yet. Running of such concerns as gins, presses and mills requires great experience; and there are many pitfalls, and even among concerns managed by the capitalist class, failure is not uncommon. Therefore we must be very careful how we encourage such ventures in our movement. We had some experience of it in our Provincial Bank and we find that very serious mistakes are likely to be made and the result will be deplorable for the whole movement. Take the case of a gin. A few societies of cotton cultivators may come together and erect their own gin and try to run it, but gins are not always a success and if there is failure, the result will be great loss to the cultivators participating in it and they will be entangled in a heavy burden of debt, which might hamper the progress of our movement in that area for years. What I wish to point out is that industrialism has not sufficiently advanced in this country for us to think of such ventures on Co-operative lines. There are many pitfalls, and even capitalists incur very great risks. It is, therefore, too early for us at least at this stage of our development to go in for such work as running gins, presses and mills.

Mr. K. B. Bhadrapur said as follows:—Mr President and gentlemen, this resolution has no more than academical interest to us, for our people have not got co-operative training to be able to carry on venture like gins and presses. Of what earthly interest is it to have such organisations at present? Let our people learn to work in this direction in a business-like way and then take up such resolution. Till then it is of an academical interest. I do not say it is of no interest. The Sub-Committee has made a suggestion to this Conference and the Conference may pass this resolution, but we have no experience of how to do the work before us. We are sure to meet with difficulties if we went on trying to carry out this resolution in practice. I am of opinion that it is too early for us to launch any enterprise like a co-operative gin or a co-operative press. We deplore that the Stores' Movement has not received that support in the Presidency which it deserves to have, because it is of greater use than the movement of gins and presses. It is to our interest to think of promoting such enterprises as cotton gins and cotton presses, but, at the present, the circumstances are such that the present resolution has become only one of theoretical interest. I would, therefore, strongly and warmly recommend that this Conference should postpone the consideration of this matter for the present.

Mr. F. T. Nalavadi said as follows:—Mr. President and gentlemen, in view of the opinion expressed that we are not practical persons and that we are theoretical persons—

A Delegate: We are practical.

Mr. Nalavadi: I have to say that this resolution is moved here for the sake of certain principles. We, in the Carnatic, are seriously thinking of having a printing press on co-operative basis: the working staff will come from the labouring class; the venture will be beneficial to the Labour and Capital connected with it. We will have to provide it by law to give bonus to the workers. The labourers should also be allowed to purchase a certain amount of the shares. The representatives should be given seats on the Managing Body. They will not bring in money, unless they are assured that they can sit on the managing body. On that principle we have got a ginning Society at Gadag. Such things

can be started both on a large and small scale. Unless you accept this proposition, such concerns cannot be started. With these few remarks, I hope that the Conference will accept the proposition. I hope the Conference will, at least, accept the principle underlying the proposition. (Cheers.)

A Delegate: No, no. (Laughter.)

Professor Kaji: I would suggest that the term 'Joint-Stock Company' be inserted in the resolution, instead of the term 'Co-operative Societies'. I do not see how you can reconcile the idea of a Co-operative Society with the idea of the remaining part of the proposition. (Cheers.)

The President: Gentlemen, in view of the discussion that has so far taken place on this resolution, do you think that further consideration of the subject be adjourned for some other time?

The general consensus of opinion having been expressed for adjournment of the discussion, the resolution was dropped for the present.

(The Conference was at this stage adjourned to the next day, Tuesday, 12-12-22, at 11-30 a. m.)

PROCEEDINGS OF THE THIRD DAY.

Tuesday, 12th December, 1922.

at 11-30 A. M.

Consideration of Report of Sub-Committee VI.

(The Chair was occupied by the Hon. Mr. C. V. Mehta towards the latter part of the proceedings only. Till his arrival it was taken by Mr. G. K. Devadhar.)

Mr. Devadhar in opening the proceedings said:—Gentlemen, it is now time for us to begin our proceedings. So, without any formal introduction, I would call upon Mr. P. S. Banatwalla to move the report of Sub-Committee No. 6. (Cheers.)

Resolution No. 1.

Mr. P. S. Banatwalla said as follows:—Mr. President, and fellow-Co-operators, in the absence of Mr. G. P. Murdeshwar, Chairman of Sub-Committee No. 6, the duty of submitting the report of that Sub-Committee to this Conference has fallen upon me. The legal problems were referred to the legal Committee, and they were certainly very important. The decision of that Committee would facilitate the work of the Co-operators in their working. The legal Committee was appointed by the last Conference, so that the Co-operators generally would have the benefit of the advice of legal gentlemen, who formed that legal Committee. Gentlemen, you will see from the deliberations we had in the Sub-Committee's meeting what work we did to be placed before this Conference. The results of the deliberations of the Committee have fallen short of our expectations. We had to deal with most difficult questions in the Committee, which consisted of half a dozen people, half the number of which could hardly be said to have any legal acumen. Gentlemen, under these difficult circumstances, the Committee had to perform a very delicate task and a responsible

task in solving the several problems that were before it. Gentlemen, with regard to the very important question of the appointment of permanent arbitrators and of giving them power for attachment before judgment, and to sue under Section 46 of the Civil Procedure Code, it appeared to some of our members to be a revolting idea. It seemed as if we were considering in that Committee the question of a rival Court with the principle, supposed to be underlying the Co-operative movement, of discouraging as far as possible a resource to the realm of the constituted Civil Courts. Gentlemen, the difficulties of the Societies in the recovery work were also pointed out in a very good language, and it was suggested that unless those difficulties were removed, the Societies would not be in a position to do any substantial work, so far as recoveries were concerned. Gentlemen, there is no doubt, that that grievance of the Societies was very true. Equally good considerations were urged for not giving special powers to the Arbitrators and the permanent constitution to that Body of co-operators. Now, Sir, under the circumstances, the only course left open to the Sub-Committee was to appoint a special Committee of the Conference, which might thresh out the matter in a very business-like and considerate manner. We have, therefore, so far as this matter is concerned, referred the matter to the special Committee. Now, Sir, coming to the resolution proper, you will see that the first recommendation of the Sub-Committee runs as follows :—

“Resolved that in the opinion of this Sub-Committee, legislation invalidating the alienations of property by the borrowing members of a society, without the sanction of the Society, is necessary.”

A Delegate : Gentlemen, I want to call your attention for one moment to the remarks made in the Sub-Committee by its Chairman, that the Constitution of the Committee was not sound enough, and that the majority of the members did not possess legal acumen. Under these circumstances, the question is, whether we, in this Conference, are going to proceed with the adoption of this resolution, and whether we are going to commit the Conference to this resolution. We have to consider this, because the Chairman of the Sub-Committee himself had remarked that the Constitution of the Committee was not sound enough, and that the majority of its members did not possess legal acumen. I would like to draw your pointed attention to the fact, that this is a legal question, the Conference is going to deal with, and, therefore, would ask you to decide whether it is advisable that we should go on with the legal question in this Conference or postpone it for next year. (Cheers.)

Mr. Devadhar : Gentlemen, it is open to the Conference to decide whether the ruling of the Chairman of the Sub-Committee should be accepted or not.

Mr. Banatwalla : Well, Sir, when my friend has raised a point of order, before proceeding with the resolution proper, I will offer one word of explanation. When I said what my friend just said I said, I never meant any disrespect to any member of the Committee in saying what I said. I only wanted to say that the questions referred to us were very difficult, and a special Committee had to be appointed with a view that they would get very great help from the legal talent in Bombay, which help we had not at our disposal

in the Committee, while we were dealing with these great and difficult questions; In the meeting of the Sub-Committee, we were therefore not able to do substantial work and we are not able to satisfy you. When I said what has been particularly brought to your notice by my friend, I never desired to convey that any of the persons present in the Committee did not take any special interest in the matter, or did not try to understand the situation in the best way possible. They did their best, having regard to the situation in which they were placed; but unfortunately for them the subjects were very difficult, so difficult that the members of the Sub-Committee could hardly carry on the discussion in a considerate and business-like manner during the short time at their disposal without proper material. I hope my explanation will be accepted. I also hope, that my friend, who raised the point of order, will excuse me if I said any word which might not be pleasing to him. Now, Sir, I come to the resolution itself which is placed before the Conference for its acceptance. I submit that in this resolution there is one misprint and that misprint is of such a character that with it perhaps the resolution will be read in a way never intended to be read. The resolution with the misprint, may read otherwise than what, in fact, it was intended to be read; I will explain what I say by reading the resolution as it is printed so that you can understand what the "misprint" is. The resolution as printed, runs thus:—

"Resolved that in the opinion of this Sub-Committee, legislation invalidating the alienations of property by the borrowing members of a Society without the sanction of such society is *necessary*".

The word "necessary" should be substituted by the word "unnecessary". The word "necessary" is a misprint. Gentlemen, I will just tell you under what circumstances this recommendation was adopted by the Sub-Committee. The point raised before the Sub-Committee was, that the members of the Society borrowed money from the Society and also from outside, on the security of their immovable property, and therefore, it was suggested that with regard to the people who were doing such things and in order to prevent them from so doing, there should be some provision invalidating such mortgages, unless they were effected with the sanction of the Society, which would advance them loans. That was the principle underlying this recommendation. The Committee considered the principle and thought that it was not desirable to make any hard and fast rules or to ask any amendment of the Act on this point. It was, therefore, resolved in the Sub-Committee that it was not necessary, to pass any resolution recommending the introduction of such provisions in the Act. Hence it was, that the present resolution was recommended by the Sub-Committee for being placed before this Conference. (Cheers.)

A Delegate : The whole subject should be dropped for the present.

Rao Bahadur Talmaki said as follows:—Mr. President and gentlemen, what Mr. Banatwalla meant to say was, that the meeting of the Sub-Committee having been held in Bombay, it did not get as many legal luminaries to deliberate as possible. I think there were many gentlemen on the Committee who were legal men; for instance, Mr. G. P. Murdeshwar, the Chairman of the Sub-Committee, is a High Court Pleader, Mr. Natwarlal M. Desai is a

High Court Solicitor, Mr. M. A. Awan is a High Court Pleader, and Mr. Banatwalla himself is a Pleader. Thus three members out of six are legal men.

A Delegate: Mr. Banatwalla attacked the constitution of the Sub-Committee, in view of the legal questions which the Committee had to decide.

Rao Bahadur Talmaki: Mr. President, my friend did not understand what Mr. Banatwalla meant.

Mr. Devadhar: Our friend here meant to say that the Chairman of the Sub-Committee himself had attacked a constitution of the Sub-Committee in relation to the legal questions, which the Sub-Committee was called upon to decide.

A Delegate: I wanted to show what the opinion of the Chairman of the Sub-Committee was with regard to its constitution.

Mr. Devadhar: I think it is quite open to the Conference to say whether this resolution should be accepted or should be rejected. As nobody is coming forth to speak on this resolution, either in support of or in opposition to it, I take it that the Conference is willing to consider it and not to throw it out.

The resolution was formally seconded, with the correction of the misprint and unanimously carried.

Resolution No. 2 of Sub-Committee No. VI.

Mr. Banatwalla said as follows:—Mr. President and gentlemen, I beg to move resolution No. XXV. which forms the second recommendation of my Sub-Committee and runs thus:—

“Resolved that this Sub-Committee is of opinion that as the laws stands, at present, no special provision for the enforcement of an *ex-parte* award in a foreign territory can possibly be made.”

Now, Sir, with regard to this resolution, I must tell you under what circumstances it was necessary for the Sub-Committee to pass this recommendation. The general complaint against some of the Societies was that they were not executing their awards very promptly and that some of them were keeping them unexecuted on their files. It seems, gentlemen, that in this matter the Societies were not wholly responsible, because some of their awards had to be passed *ex-parte*, as their debtors had run down and located themselves in neighbouring Native States. Now, all the pleaders know well that when an *ex-parte* decree is passed, such decree is not enforceable, even when there is the rule of the international law prevailing in Native States. It is not the custom of the Courts to execute the *ex-parte* decree, if the defendant were to come and say that he had not submitted to the jurisdiction of the Court. Some other remedy must therefore be found for the execution of such awards. Similarly, if you were to get an “*ex-parte*” award executed in a Native State, the defendant would come and say that he never submitted himself to the jurisdiction of the Arbitrator and that, therefore, the award cannot be enforced against him in a Native State. It was, therefore, suggested that as the Societies were getting so

many advantages, and getting special privileges, some arrangement might be made by which the "ex-parte" award might be enforceable in Native States. Our Sub-Committee, however, did not think that any change should at all be made in the existing law, and said that it was not possible to make any such recommendation under the existing state of the law of the country. Sir, we have, therefore, adopted this resolution in the way I have suggested. If any of you, however, were to make any suggestion, you will kindly do so and say what necessary provisions could possibly be made in the law. Of course, it has to be remembered that though we, Co-operators, may think of following such a suggestion, the question is whether the provisions can, in fact, be made in the law. I hope you will consider all these points and try to remove the grievance attending the execution of "ex-parte" awards. (Cheers.)

Rao Bahadur R. G. Naik said as follows:—Mr. President and gentlemen, in view of the existing state of the International Law, the subject in a foreign state, who has no allegiance to the Sovereign of that area, cannot be arrested under a Decree of the Court in another Territory. Under these circumstances, the "ex-parte" decree awarded in the British Territory would never be executed in a State. I think, there should be no complaint on this question, because the question has been decided several times in different High Courts, that have all agreed, that unless the International Law is changed, such Decrees cannot be executed in Native States; and Gentlemen, you will admit that the Law of the whole country cannot be changed for the sake of Bombay. (Cheers.)

The resolution was formally seconded and unanimously carried.

Resolution 3 of Sub-Committee VI.

Mr. P. H. Banatwalla said as follows:—Mr. President and gentlemen, the next recommendation of my Sub-Committee runs thus:—

"Resolved that the provision of the Civil Procedure Code, regarding the service of Summons, be incorporated in the Arbitration Rules in addition to the existing provisions."

Now, Sir, you will just like to know what are the provisions regarding the service of Summons so far as our Arbitration rules are concerned. In those rules there are two provisions. The first is that the Summons should be served through the Mahalkari or the Mamlatdar, and the second is that the Summons should be served by registered post. Now, the difficulties always arise for the Summons to be served by registered post. Very lately the Bombay High Court has distinctly held that when the Summons served through the registered post, and if the defendant comes and states that he did not get the packet or that it was not offered to him, then without any further enquiry the "ex-parte" decree passed against him must be set aside, the Summons not having been served properly. On account of this difficulty it was suggested in the Sub-Committee that some provision should be made in the Arbitration rules by which the service of the Summons could be regarded as complete. Sir, the provisions in the Civil Procedure Code for the service of Summons are quite sufficient to meet the requirements of the situation, and, therefore, it was thought in the Committee that it would be proper to incorporate the provisions of

the Civil Procedure Code in the Arbitration rules. So far the present system of service of the Summons is concerned all that our Arbitration Rules make effective is the service that is made by the Mahalkari or the Mamlatdar. With these observations, gentlemen, I submit that the Conference will accept the resolution, because I think by the acceptance of this resolution you, gentlemen, will solve possibly all the difficulties with regard to the service of Summons.

Mr. R. N. Rajadnya said as follows :—Mr. President and gentlemen, I am not a lawyer, but I will speak from my experience as an Arbitrator. The Summonses have to be sent by registered post, because, according to the Government Circular, they can be sent through the Mamlatdar in very rare cases only. Therefore, almost all the Summonses are sent by registered post. Now, when the man to be served with the Summons lives close to the village of the Arbitrator, and if the Summons is sent by post, he may refuse it. Therefore if in the Civil Procedure Code a provision be incorporated to the effect, that the Summons will not be sent through the Mamlatdar but by the registered post; the result will be that the Decrees passed in such cases will be invalid.

A Delegate: The provisions for the service of Summons are two, (1) by registered post, (2) through the Court of the village. In the case of service through post, it may happen that the service is made by postman and it is denied by the party. Then the Court has the difficulty of deciding whether the Summons has been duly served or not. When the court has not the slightest suspicion about the service of Summons through post, the Court holds due service to the party from the fact that the party had refused service and therefore, had due notice of proceedings before the Arbitrator; and in that case the knowledge of the party is quite sufficient for the passing of a decree against him. The result is the same as when the defendant purposely avoids appearing before the Arbitrator when the Summons is served through the Mamlatdar or Mahalkari. In order to have the speedy disposal of the matter, let there be an amendment introduced in the Civil Procedure Code for validating the service of Summons through post. If the service of Summons is confined to be effected by the Mamlatdar's peon only, then the thing may go on hanging for months together and for years together. We should have the service of Summons through post held as valid and good by having a provision to that effect in the Civil Procedure Code, for the purpose of a speedy disposal of the matter before Civil Courts. Therefore, I believe that Mr. Rajadnya's objection is wrong.

Mr. Jadhavrao :—I beg to suggest that the Committee which we would appoint to consider the fourth recommendation of Sub-Committee No. 6 may also be entrusted with looking after this recommendation No. 3.

Mr. Devadhar : Is this is your amendment ?

Mr. Jadhavrao :—Yes.

Mr. P. H. Banatwalla said as follows :—Mr. President and gentlemen, it appears to some of us that this is a very difficult question to solve, but it is not so. What I mean is and what the Committee meant was this, in-putting forward this recommendation, namely, that there should be some means of

service of Summons in addition to the existing process. The Committee thought that there should be some more means of serving the Summons, some better and methodical mode of service than those provided for in the Arbitration rules ; for instance, suppose a man has gone to Africa, and he is to be served with a Summons. You do not know his address. No one can give you his address. No one tells you where he is. You have the means of service in the Civil Procedure Code, namely, that you can give the Summons to the man's Agent, if he has appointed an Agent, but if he has not appointed an Agent, then you can give the Summons to anybody who is in charge of that man's work. Thus, also the man can be said to have been properly served with the Summons. You have, to consider this in connection with the present resolution. Though this provision of law is to be made applicable for the speedy and proper service, we do not say that we could not avail ourselves of the mode of service by registered post as provided in the Arbitration rules. When a man refuses service by registered post, when he refuses the packet, and yet when he comes and says that the packet was never offered to him, we have again to go and take the suit on file and get it decided again. Instead of doing so we should have provisions in Arbitration rules ensuring proper service. The question is hardly such that it need further consideration, and, therefore, I humbly submit that it is not necessary to discuss the question further. I submit that according to the report of my Committee, the provisions of the Civil Procedure Code regarding service of Summons be incorporated in the Arbitration rules in addition to the existing provisions.

The Hon. Mr. Lalubhai Samaldas said follows ;—Mr. President and gentlemen, when the amendment was suggested by Mr. Jadhawrao, that the consideration of this recommendation of our Sub-Committee be entrusted to the Committee that the Conference is going to appoint in connection with the fourth recommendation of the Sub-Committee what I thought was that his amendment would be acceptable to the mover of this resolution, because from Recommendation 4 we find that one of the items referred to the new Committee is the modification of the arbitration procedure generally, and what we now ask for in respect of the 3rd Recommendation is also an amendment regarding certain Arbitration rules. As both the Recommendations, namely, Nos. 3 and 4, refer to the modification of the arbitration procedure itself, I think the amendment of Mr. Jadhawrao should be accepted, so that the same Committee may be entrusted with the modification of Arbitration rules as referred to in the Sub-Committee's Recommendations 3 and 4. There does not seem to be any particular hurry for the modification of the arbitration procedure as conceived in the Sub-Committee's Recommendation No. 3. Unless it can be proved that the question of the modification referred to in Recommendation No. 3 is very urgent and that if we delayed the matter for over 6 months, the arbitration procedure would have to be stopped or that it cannot be taken in hand quickly, the question of modification referred to in Recommendation No. 3 may be allowed to be dealt with by the Committee we will appoint for considering the modification of Arbitration rules under Recommendation No. 4.

Rao Bahadur S. S. Talmaki said as follows :—Mr. President and gentlemen, I think that both the questions be referred to the same Committee as suggested by Mr. Jadhawrao. In Recommendation No. 3 and in Recommend-

ation No. 4 there is the question of modification to be effected in the arbitration rules. So, there would be no harm in referring the consideration of Recommendation No. 3 to the Committee that will consider the modification referred to in Recommendation No. 4. Only the report of that Committee be submitted within a fortnight.

Mr. Deodhar : Gentlemen, you have before you the resolution moved by Mr. Banatwalla and also the amendment proposed by Mr. Jadhavrao, which is to the effect that the consideration of Recommendation No. 3 of Sub-Committee No. VI be referred to the Committee that will consider Recommendation No. 4. I will now put the amendment first. (It was carried. I will, therefore, put the amended resolution as a substantive resolution.

The resolution was unanimously carried.

Resolution No. 4 of Sub-Committee VI.

Mr. P. H. Banatwalla moved the twenty-eighth resolution with the following speech :—Mr. President and gentlemen, I beg to place before the Conference Resolution No. 28 which is the Recommendation No. 4 of Sub-Committee No. 6. It runs as follows :—

“With reference to the suggestions made in connection with the appointment of an officer to execute decrees of liquidators or arbitrators, the appointment of permanent arbitrators for each district, and the modification of the Arbitration procedure generally, resolved that in view of the importance and complicated nature of the matters in question, and also in view of the insufficiency of time at the disposal of the Sub-Committee, a recommendation be made to the Conference that the questions be referred to a special committee, consisting of Rao Bahadur Malji, and Messrs. J. P. Murdeshwar, Natwarlal M. Desai, D. D. Umarwadia, P. H. Banatwalla, and others, to be named at the Conference, with a request that a report be submitted at an early date to the Standing Committee of the Central Institute for necessary action.”

Gentlemen, I have already told you under what circumstances we have had to take up this course in the Sub-Committee with regard to the appointment of the special committee. I do not think the resolution needs any further comments. I would, therefore, respectfully put it before the Conference that for the consideration of all important matters a special committee be appointed, and that committee be requested to place its report before the Registrar or before the next Conference for necessary action. (Cheers.)

Rao Bahadur Talmaki : The only modification that I wish to suggest to this resolution is that the report of the committee be submitted, instead of ‘at an early date’, as said in the resolution, within one month. (Cheers.)

The following further names were added to the committee at the suggestions of different Delegates :—Jadhavrao, Narayan Ramchandra Jambhekar of Islampur and Arbitrator for the Islampur Taluka, and F. T. Nalavadi, of Dharwar.

Mr. Devadhar : Another amendment is suggested that the report of the Committee be submitted within two months. (The amendment was accepted by the Conference.)

The resolution was unanimously carried.

Consideration of Report of Sub-Committee No. II.

Mr. Devadhar : Now, I will call upon our friend, Dr. Mann to submit the report of Sub-Committee No. 2.

Dr. H. H. Mann said as follows :—Mr. Chairman and gentlemen, you will allow me to refer you to the report of the Sub-Committee of which I was the Chairman. The matter referred to the Sub-Committee was, perhaps, in many senses the most important which this Conference has considered. I want to say that the matter is one affecting the prosperity of the whole country. The whole prosperity of the country depends on making the agriculture of the country more prosperous, than it is at present. If our Co-operative Conference fails in this, it fails everywhere; if it does not succeed in making agriculture prosperous the whole prosperity of the country will fail. Hence, I feel that the resolution, that I am dealing with, is of far more importance than any other that this Conference has considered. I want to deal with the resolution by taking its points one by one. First I will deal with the question of the Co-operative consolidation of holdings. This is the first time that this question has been formally brought before this Provincial Co-operative Conference. I want you to give it your very best attention, because it is one of the subjects which bristle with difficulties; because it is one of the most thorny subjects which we are going to tackle, and yet it is one of the subjects, which is of very vital importance for the future development of agriculture in the country. The question of Sub-division and fragmentation of holdings is by no means purely Indian. But in no country is the matter more serious than it is here. I have heard of very valuable lands being sub-divided in other countries, but the difficulties, which have been faced and met there, are not greater than they are here. If you go to any district, you will find that the land, which is capable of producing the best produce, is now so much subdivided and fragmented that the best cannot be obtained from it. My friend, Mr. G. R. Honap, had put up at his own cost a big pump in a place in Ahmednagar District; and for years and years that pump remained practically idle, not because people did not want the water, not because the water was not there, but because water could not reach the fields owing to the numerous subdivisions and fragmentations of land in the neighbourhood, between the water and the land that needed it. Water was there; but it could not be taken to the land which was in need of it; because that water had to cross some other people's land and these people did not want water. For years that pump was lying idle, and yet people had to starve and their cattle die in famine. This is just one other illustration—I can give you many more—of the extraordinary way in which these subdivisions and fragmentations of land exist at present and spoil the possibility of agricultural improvement. Though the subject is bristling with difficulties, still my predecessor, Mr. Keatinge, attempted to deal with the question, but he met with almost united opposition from almost every side, at any rate from the Hindu

opinion in the country. Therefore, it seems to me that while we must deal with this question, we have got to meet the prejudices of the people. We have to deal with the matter without legislation, if possible. Where legislation has to be undertaken, it has to be taken having in view the prejudices of the people concerned. The resolution, which I have to put before you on behalf of my Sub-Committee, has attempted to do that. The first recommendation of my Sub-Committee is that the Co-operative movement should look at this matter as one of extreme and essential importance, and see what can be done to deal with the question of consolidating holdings by mutual consent. I feel very confident, that if the co-operators of the country ultimately set before themselves this ideal, that the lands in villages, which they represent, should be consolidated and made suitable as agricultural units by mutual consent, a very great deal can be done. At present, I believe, if mutual consent is to be obtained by anybody that body is the Co-operative movement. If Government attempt to do it, their efforts would be received with suspicion. I feel certain if old Co-operators, who are represented in this Conference, deal with this matter, and adopt the principle of "mutual consent," a very great deal can be done. In the Deccan, the Southern Maratha Country, and the Konkan, probably the difficulty is the greatest; in Gujerat it is less; in Sind it is probably still less. I firmly believe that in those places where consolidation by mutual consent is begun, a very great deal can be done. With regard to voluntary co-operation, there is Recommendation No. 2 of my Sub-Committee which runs thus :—

"The Punjab system of voluntary Co-operative Societies, for the purpose should be tried in a number of villages, if the people can be ^g ^{an} ^t to agree to this. But to bring this about will need a very ^{vig} ^{or} ^{ous} ^{propaganda} ^{suffi} ^{cient}." J.

Gentlemen, I think everybody here knows what the Punjab system is. It consists of a scheme drawn up by a society; with members' consent the land is formed into a unit for cultivation for a period of five years. If at the end of five years the people wish to continue the new arrangement, then the arrangement is made permanent. This is the system in the Punjab, carried on under a certain amount of pressure. This method is applicable, to certain of our areas; where land is of uneven character, it would, however, be difficult to adopt the method in our own villages. In the Deccan, land is extremely variable, and it would be extremely difficult to adopt the Punjab method of voluntary co-operation. The land in the Punjab is of a very even character; where land is of an even character, I do not despair for a moment for the application of the Punjab system. My Sub-Committee is of the opinion that the matter will require a great deal of vigorous propaganda among people, who live and work in the immediate neighbourhood of the villages in which the method has to be applied.

I will now come to deal with Recommendation No. 3 of my Sub-Committee. The Recommendation runs thus :

"The whole question of economic cultivation would be much simplified, if Co-operative farming could be extensively undertaken without interfering with actual ownership. Every effort should be made to obtain examples of such Co-operative farming."

Gentlemen, the point is this. You want good agricultural units for cultivation. It does not matter who really the owners are, provided the land is cultivated in suitable units. This can be arranged for by all the Joint Cultivation Societies, of which we spoke last year, and of which I am going to speak later. We have got one year's experience of one Joint Cultivation Society, and I have now got a great deal more confidence in the possibility of the application of this method than I had before. I believe that if you can only get land by lease to Co-operative Societies, these can work them without interference as to ownership whatsoever. We can get suitable units for cultivation in villages. I do not want to go into the matter further, because I shall have to deal with at greater length in connection with the next item. There are some people who think that we can go only to an insignificant extent by this method of voluntary system of Co-operative Societies. I believe that if we cannot go very far by this Recommendation, let us go to a small extent only by this method.

I will now come to Recommendation No. 4. It runs thus :—

“Beyond this it is suggested that an enabling law should be passed, so that, on the application of the owners of 75% of the land in a village, the consolidation of the land should be undertaken, and the scheme could be carried out subject to the consent of the owners of 75% of such land to the scheme suggested.”

Gentlemen, the method which it is here suggested should be adopted *i. e.* that an enabling law, should be passed by means of which, on the application of the owners of 75% of lands in a given village, consolidation may be undertaken and a scheme prepared seems the proper way of approaching the question. Such a consolidation can now be carried out only if every owner of the land agrees under the present proposal. Unless owners of 75% of lands agree, this consolidation cannot be undertaken. If owners of 75% of lands agree, consolidation can be undertaken, in spite of the opposition of the owners of the remaining 25% of lands. There is no virtue in the figure 75%. If you like, you may make it 80% or 85% or any other figure you like. I do not mind. I only want this ideal of consolidation to be introduced. If there is a large percentage of people, who are owners of lands in villages, to agree, consolidation can be undertaken in spite of the opposition of the rest of the owners. This, of course, requires legal provision. We want to show to people that no consolidation is to be carried out without the consent of the people—against the wishes of the people. No consolidation is to be forced on the people. It is only to be carried out on the application of a certain large proportion of owners. If they say that we want consolidation steps will be taken for consolidation. I am very anxious that this Recommendation be accepted. It is essential for the future of the agriculture of this country.

Recommendation No. 5 of Sub-Committee No. 2 is the most thorny part of the Resolution which I am placing before you on behalf of my Committee. It runs thus :—

“That with regard to the prevention of future subdivision and fragmentation, after such consolidation has been carried out, the subject should be investigated by the Central Co-operative Institute through

the Primary Societies, affiliated to it, with a view to exploring the scheme which would prove most acceptable to the rural communities."

This is a thorny part of the question. Everybody suspects and everybody has some doubt, when one deals with the question of consolidating the holdings, because he is frightened that the consolidation of holdings would interfere with the ordinary Hindu inheritance in this country. Well, I feel, that at the present moment we have no right to deal with the question of inheritance. I feel it is essentially a question for the people, I do not want to touch that question further, I think that the matter is not nearly so easy to deal with as one would think. I think the two questions can be dealt with separately. One is the question of consolidation; the other is the question of preventing future sub-divisions. If we can get the consolidation of land to-day, the other difficulty will not arise for a generation, at least, or perhaps for two generations. So that, I think, we can afford to postpone the consideration of the whole point of the law of inheritance. Let us only have the consolidation of land first. Hence, my Sub-Committee recommends that the subject should be investigated by the Central Co-operative Institute, through the Primary Societies, affiliated to it, with a view to exploring the scheme, which would prove most acceptable to the rural communities. I feel that the people in the villages should take up the question of consolidation and then ask the Central Co-operative Institute to investigate the matter through Primary Societies. The question of consolidation, according to this Recommendation, need not wait to be solved until a solution of the other questions, namely regarding the prevention of the future Sub-divisions is reached. This I consider to be a matter of very great importance.

Gentlemen, before I sit down I want to point out that the bulk of these recommendations, excepting recommendations Nos. 4 and 6, are practically repetitions of what passed at the Belgaum Divisional Conference, some months ago. They were accepted by the Co-operators of the Southern Division, Recommendation No. 4 is new as also is recommendation No. 6. I want this Conference to consider them very carefully, and if possible, unite in resolving that all these recommendations be adopted. If you once realise the intense importance of the consolidation, then, I believe, you will pass this resolution, and thus afford a very substantial contribution in solving one of the most thorny and difficult questions, which exist in Western India at present. Hence, I particularly beg to move that this Conference adopts the recommendation of Sub-Committee No. II with regard to consolidation. (Cheers.)

(At this stage came to the Conference the President the Hon. Mr. C. V. Mehta, who was received with ovation.)

P. K. Jambhekar: I request Government officers to explain to the Ryots what consolidation of holdings means and to carry out this resolution into effect through the Co-operative Consolidation of holding Societies. It is in the interest of the Agricultural population, that the question of retrenchment should not come in the way of Government appointing consolidation Officers to explain to the Ryots what consolidation of holdings means and to prepare them to be ready for such consolidation of holdings. That is my suggestion at present to the Conference. I make the same suggestion to the Government, the Registrar and the Director of Agriculture.

Mr. M. R. Tarkunde said as follows:—Mr. President and gentlemen, in view of the importance of this question, which has been taken up for the first time in this Conference, and which has been combated by Dr. Mann since last year, I wish to delete some words from recommendation No. 5. Investigation should precede and not follow consolidation. I understand the point was brought before the Provincial Conference by Divan Bahadur Godbo'e; and I believe because public conscience was not so ready and also because there was no time for the prevention of sub-divisions and fragmentations, the question was not seriously taken up, and D. B. Godbole did not succeed in achieving his end. I think that this question is very important, and requires peremptory solution. I know that the lands of several owners have at times been measured before they are cultivated, and it is really a pity that some lands, although they may yield a good produce, are allowed to lie fallow, because every body's business is nobody's business. I recommend to this Conference that as we are not non-co-operators, we should seek the aid of the Legislative Council to pass some law as soon as possible in order to prevent the fragmentations and sub-divisions of lands. With reference to Recommendation 4, I want to suggest an amendment.

The President: What is your amendment?

Mr. Tarkunde: I would give it in writing. (Correcting himself.) My friend Mr. Sane (Barsi) asks me not to move any amendment on this subject.

The President: It is rather extraordinary (Laughter) that someone asked you not to move an amendment and you do not move it. Is there any other gentleman here who wishes to address the Conference?

Mr. A. R. V. Ranjit: There was no necessity for Mr. Tarkunde to move any amendment.

The President: Anybody else wishes to address the Conference?

Mr. Otto Rothfeld said as follows:—Mr. President and gentlemen, with regard to Section 5 of this resolution, I beg to propose the following amendment. It should read as follows:—"That the subject should be investigated by the Central Co-operative Institute through the primary Societies affiliated to it, with a view to exploring the scheme, which would prove most acceptable to the rural communities, with regard to the prevention of future sub-division and fragmentation, after such consolidation has been carried out." Gentlemen, I want to explain the reason why I am proposing this change of words. At first sight it seems a very small change. I would explain I can support the resolution moved by the Committee as a whole, amended by means of this change of words which I propose. Taking the question as a whole, I must first observe that there is a certain difference between the force and validity of the resolutions. The Director of Agriculture, with whom I have had the pleasure of working on the subject with keen interest and with mutual support for some months, has already stated in his speech that I am a more doubtful man, more pessimistic, than he is himself with regard to the possibility of voluntary co-operation in the matter. Under the circumstances, although I do not contend to differ from the resolution put forward, it is fair to myself and to the co-operators present here, to express for their consideration, whether I am right or whether I am wrong, that I personally feel that the need for legislation is very urgent. I personally have

very little confidence in the voluntary method in this Presidency. With reference to sections 4 and 5, I have nothing to give except the most whole-hearted support. I am personally convinced that a very early introduction of some legislation, such as is required by Section 4, is necessary and I am equally of opinion—very strong opinion—that the question of consolidation should not wait for any decision on the question of future sub-divisions. I think I am not betraying any confidence, if I say that the Hon. Minister (the Hon. Mr. Mehta) also has been giving the most sympathetic consideration to the proposals put forward by the Director of Agriculture and myself in this matter. I then come to Sections 3 and 5. With regard to sec. 3, as it is worded, of course, I am absolutely in agreement. It would be very much simplified—the whole question of economic cultivation would be much simplified, if Co-operative farming could be extensively undertaken without any interference with actual ownership. I go further and say that I am very anxious to see such experiments multiply, But I do not want it to be understood by this acquiescence that I, in any way, mean to express any personal preference for such methods of joint management of lands with actual ownership. Personally I strongly believe in the possibility of Co-operative Farming Societies of lands not owned by cultivators. I believe the extension of such Societies, when lands have been taken, is extremely necessary. With that safeguard I recommend Section 3. Now, in regard to Section 5, the reason I have suggested the amendment is that in my opinion the words “exploring the scheme” would, perhaps, not be acceptable to the rural communities. They seem to imply a sort of penal enactment and some cut and dry administrative scheme. Personally, I am quite against such a scheme at the present moment. I am against any scheme of legislation from the point of view of interference at present with the law of succession as laid down in either the Hindu or the Mussalman religion. Such interference would be harmful at the present moment. Personally, I have always considered that not only in India but also in other countries the question of ultimate sub-division and fragmentation of estates, whether held as money shares or held as land, depends on differing characteristics whether expressed in any religion or not. I should be loath to support any proposal of interference with the rights of inheritance in any country. In my view, if any change in the law of Succession is to be accomplished at all, because it is desirable for the economic interest of the people, it must be accomplished through the process of education and introduction. You have to change by touching the hearts of people gradually. I am convinced as every body else here must be that there has been a reckless and careless subdivision of estates to a large extent, if not to the whole extent. That has caused the fragmentary holdings. Section 5 speaks of “exploring the scheme.” as a means by which people could be taught to remedy recklessness and sub-division. At the present moment, the sub-divisions depend very largely on the extraordinarily reckless production of human life, and the extraordinarily wasteful expenditure of human life in this country. As long as people are allowed to marry at any age and to have children without any forethought and allow them to be killed recklessly by diseases, then when there are excessive successors in a family, there must be excessive sub-divisions. But other families are also being absolutely destroyed by ravages of disease. I do not want to go into the subject very much further, but I do want to point out that there is a risk in the words “exploration.” Therefore, I suggest the

substitution of "adopting a method." In this connection, I trust that the Institute will, among other things, pay due attention to the newly formed Society in Western India, of which our friend Mr. Devadhar is one of the prominent exponents, namely, the Society for teaching easy methods of Birth Control. I now come to Sections 1 and 2. I should be only too thankful if anything could be achieved by co-operation in the matter of consolidation. I have tried, as far as I could, to understand what has happened in the Punjab. With the permission of the Minister, I hope and trust to be able to go in January next to the District of Jallundur and Hoshiarpur to see what is done in the Punjab in this matter. I have had the advantage of discussing the matter with Mr. Strickland, Deputy Registrar of the Punjab. I must at once place this warning before you, that from what I have heard from Mr. Strickland as well as from what I have heard from other sources, the conditions in the Punjab are very different from the conditions in Bombay, so that it is almost impossible to draw any inference from what has been achieved in the Punjab, that it would be a remedy in this part of the country. In the first place, I must point out that the character of the people of the Punjab is very different, for good or for evil, from the character of the people in this Presidency. There is not in the Punjab that extraordinary want of cohesion, that want of unity, which is noticeable in Bombay. Even in the villages there, we have very strong and united communities, although we have got such races as Sikhs and Mussalmans. Here, we are all faced with divisions of interest from the Legislative Council of His Excellency down to the Village Panchayats, and that is why the want of the voluntary agreement for consolidation in rural stations renders the situation difficult. Further, in the Punjab, there is legislation which prevents mortgage of land or sale of land to persons who are not agriculturists. We have no such legislation in this Presidency. There was an enabling legislation of that sort introduced in 1902 into the Bombay Legislative Council. We all know how it was met with malicious criticism against the Government of Bombay. We know what malicious criticism was levelled against that legislation. There is only one district in the whole Bombay Presidency, in which the cultivator is safe-guarded against mortgage. Therefore, we have to deal here with a situation which is different from that of the Punjab with the exception of one fortunate district in which mortgages have been guarded against. Here mortgages of land involve legal difficulties almost without end and an enormous expenditure on stamp fees. Therefore, in my opinion, voluntary consolidation will not be very successful, as it is in the Punjab on account of the peculiarly fortunate united character of the people there. There is a case in the Sholapur District where voluntary consolidation has been accomplished by the Patel of a village. The system is possible in Sind, where the situation is much more like that of the Punjab. The scheme is possible where unity is great. You will not be able to accomplish it, where the situations are different. But I do think that consolidation is a salutary measure and is necessary. With regard to the amendment proposed by our friend here, that an Officer should be appointed, I want to say this only, that one Officer in a case of that sort is absolutely of no use. If you are going to do anything at all in this way, you must have hundreds of people going about preaching. One officer may do something in a single area. He may be confined entirely to two or three villages. You have to consider the amount of expenditure; the result would be rather disas-

trous to the taxpayers. I do trust that on the strength of this resolution all non-official co-operators will really give their very best attention to the subject and will do their best to induce cultivators to think over the matter seriously, and I am ready to agree that we too must take up the voluntary work where possible. As Registrar, I very strongly welcome—very greatly welcome—sections 4, 5 and 6—especially 4—of this resolution. They will undoubtedly strengthen the hands of Government in the matter of legislation, if it is desired by the people.

The Hon. Mr. Lalubhai Samaldas: I think that this resolution is so clearly to the benefit of agriculturists—that no seconding was necessary to it. I think it would be unanimously accepted by the Conference. Gentlemen, I would not have intervened at this stage had it not been for the fact that Mr. Rothfeld passed certain remarks against our learned and able leaders, I mean Sir Pherozechah Mehta and the Hon. Mr. Gokhale, saying that they did not represent the agricultural interests in the Legislative Council of this Presidency and that they represented the interests of the Sawcars. I think it is fair that I should say—and I say it with great emphasis—that men like Sir Pherozechah Mehta and the Hon. Mr. Gokhale were speaking in the Council for the cultivators and not for the Sawcars. To say that they cared for the interests of the Sawcars and not of the agriculturists is, I think, a very great injustice to them. (Cheers.)

Mr. Otto Rothfeld: I stand open to correction. I said that their opposition at any rate misrepresented the wishes of Government very much, and that I consider that was an opposition which was based on doctrinaire principles.

The Hon. Mr. Lalubhai Samaldas: There is a clear impression left on my mind that it was alleged that they did not care for the interests of the cultivators. I myself had written a minute on that subject in 1902 in support of the Government Bill. I, therefore, am able to speak without any prejudice. Mr. Rothfeld ought not to have attacked the character of those two men in the way in which it was done. I entirely support the resolution.

The President, the Hon. Mr. C. V. Mehta: Gentlemen, it appears to me that this resolution is very important from the point of view of the schemes of consolidation and future sub-divisions of lands. Gentlemen, there is not the slightest desire on the part of anybody to belittle the work of stalwarts like Sir Pherozechah Mehta and the Hon. Mr. Gokhale. It is just as well that the matter has been cleared and the Registrar's position properly understood. I would like to know if any gentleman of experience and advanced views wants to speak on this important question; let us have a full discussion on this problem. Personally, I believe that we shall make very slight progress if we go upon the lines that have been laid down in this resolution. With all due deference to those who framed the resolution, I believe, that if we do desire to have progress, let us not consider what will be acceptable or what will not be acceptable to most people. Let us first see what is good—what is for the good—for the agriculturists and the co-operators in the Presidency, and then consider what would be the best way of carrying it out according to the wishes of the people. No law can be carried out unless it is supported by most people.

We must first find what is best in the interest of the people, and then try to apply the remedy—such a remedy as the people would accept. If we are of the opinion that cultivation would be unprofitable, if carried on certain pieces of land, then that is a problem which ought to be examined by everybody interested in agriculture; and we ought to consider whether there is any mode by which we can prevent the cultivation of such an unprofitable piece of land, and the division of land into such an excessive sub-division of land. I do not know whether such a discussion was devoted to this aspect of the question in the Sub-Committee. Perhaps, it was; I desire to know the views of any members of the Conference, who has experience and who likes to express them in this matter; I do not want to stifle any discussion on this point. If there is any gentleman who wishes to address the Conference and who knows the cultivators' opinions, it does not matter whose view he expresses; I want the views frankly expressed before the Conference. I want frank and full expression of views on this question. (Cheers)

Mr. M. B. Taskunde said as follows:—President and gentlemen, I am very grateful to the President for the opportunity he has given me to have my say on this subject. I have not drafted the resolution. The gentleman, who did it, has said that in the opinion of this Conference time has arrived for legislation to be made in the direction of passing some measure calculated to prevent further sub-divisions and fragmentations of lands, so that they may not be unprofitable. When I first rose to speak just a little while ago, when we were discussing the question, I was tempted to remark that the resolution contained a pious wish. The framers of the resolution did not go to the root of the matter; they did not touch the cause, which leads to this fragmentation and sub-division of land. The cause, however, is in our joint family system. It is not a matter which the agriculturists would approve of; they would not like that their lands should be in such a bad condition. Therefore unless we move in the matter in this particular direction—unless the law is changed, I do not think that this fragmentation or uneconomical sub-division of land would be stopped. A change will have to be made in the Hindu Law; that matter is not within the jurisdiction of this Conference. Nevertheless, there is nothing to prevent us from expressing our opinion in that direction as a co-operative body, which has the right to express its opinion on questions which are allied to co-operation. We ought to express our opinion on different aspects of this question. We should express our opinion that Government should go the length of prescribing, at the beginning, the right of pre-emption, so that the co-operator members would be able to buy up adjacent lands. The object is that land should not be further sub-divided to the detriment of profitable cultivation. There are so many aspects of this question, which can be dealt with in this Conference, because the question is so important. It is capable of being discussed in all its aspects. Therefore, I have addressed these few words to the Conference. I trust that the question will be dealt with in the manner I suggest, and that it will receive a very sympathetic attention. (Cheers.)

Mr. F. T. Nalavadi said as follows:—Mr. President and gentlemen, I entirely agree with the principle involved in this resolution. But in the light of the remark made by our worthy President, I have got to offer a suggestion to

this Conference. Of course, in the first Recommendation of this resolution, it is provided that consolidation should be brought about by mutual consent. That is a very good thing. We ought to consult people; people ought to be given an opportunity to make a choice. There should be no encroachment on their choice or on their rights. To encourage consolidation by mutual consent, I think that concession by way of exemption of stamp and registration fee is necessary. If the Conference thinks that such a concession would be helpful to agriculture, it may make such a recommendation to Government. With these remarks I beg to resume my seat.

Mr. D. K. Hosmani said as follows:—Mr. President and gentlemen, there are two kinds of sub-divisions of lands, which we have recommended, the third kind of sub-division of land which we have not recommended; that does not mean that there is no third sub-division of land. I think that unless the law on the point of partition is changed or modified, to a certain extent, there is no possibility of any progress being made in the condition of cultivators; and no amount of these resolutions about consolidation or sub-division or voluntary co-operation would be of any avail. People have been fighting in courts for small pieces of land; so I do not think you can have anything like voluntary clubbing of different pieces of land. I think enabling laws should be introduced before consolidations are taken in hand on co-operative lines. (Cheers.)

Mr. M. C. Kelkar, Nasik, said as follows:—Mr. Chairman and brother-co-operators, our Chairman has called for further discussion on the subject, chiefly by those who are landholders. Unfortunately, I am not a landholder myself; still having had much to do with that class of people, during the last twenty-five years, I think it my duty to place before you my views in the matter. It is true that the Co-operative movement is not directly concerned with the subject of the consolidation of holdings; still, as it concerns the improvement of the condition of the cultivators of the land, we can take up the question. It has been admitted that under the present Hindu Law and under the Land Revenue Code the process of sub-dividing land holdings has gone on and on; and the result is that, at present, we find in villages lots of small pieces of land, which could not be cultivated properly. I have found in some Talukas that about 50% of the landholders have got with them small areas consisting of small pieces, which make their holdings quite uneconomic in these days of high prices of labour and necessaries of life. Under these circumstances, it is but natural that we, Co-operators, must have this question of consolidation of holdings in the forefront and should try to solve it. The resolution of the Sub-Committee, now placed before you, is an attempt in that direction. I for one think that the question cannot be satisfactorily solved unless we have some legal provisions on the point. It has been said that if we go in for legislation in the matter, we shall be changing the Hindu Law; and that the conservatism of our people and their innate love for a share in the ancestral land will not allow us to do. But it must be remembered that those who favour legislation, on the point, do not mean to have a wholesale change in the Hindu Law of partition and inheritance. I may bring to your notice that under the present Land Revenue Code there is a provision in the Partition Rules, under which an inconveniently small piece of land is not sub-divided among the share

holders, but is given over to the highest bidder from among the sub-sharers. If this is the case at present, why should we not go further and have a legislative measure stopping the fragmentation of cultivable land upto a certain degree in future, and at the same time try to consolidate the present small holdings in the ways mentioned in the resolution before us. Our cultivating classes are mostly illiterate, and not in a position to understand these things properly, and will think of objecting to this kind of legislation, no doubt. But, we, co-operators, who are in a better position to understand what better way their economic condition could be improved in, should not be led away to oppose a small legislative change in the law of the land, but should go to them and induce them to have a change, which is in their own interest. Gentlemen, I am not myself a cultivator, but still I wish to place my views before the Conference, as I have had to do with that class of people. As regards the present subject of consolidation, I would humbly say that the resolution does not refer to co-operative methods at all, which are the chief means for getting the lot of cultivators improved. We cannot do in the matter of consolidation except by reaching the people in their villages. I think it is the duty of co-operators to consider this point, and I think it is right that the Conference should also consider it. With regard to the chief question of consolidation, I think, much discussion should be held everywhere, where fragmentary holdings exist. The evil of fragmentation must be stopped. No district or districts, where such fragmentary holdings exist, should be left untouched by co-operators in the matter of explaining to the cultivators the evil results of fragmentations and sub-divisions of their lands. I know of fragmentations for the last 30 years. More than 80% of cultivators are at present having uneconomical holdings. In some places there are small holdings but they are economic. Their prices are higher than elsewhere. There labour also is high. It is said that under the Hindu Law we have to recognise subdivision of land, for the son and father have all got shares in the land. The only question is whether we cannot change the Hindu Law; we must attempt to do it, as I have already said. We have to consider the question in the interest of the cultivators and then explain it to them—that it is to their interest to stop fragmentation by having a change in the Law. The Land Revenue Code and the Hindu Law may be so amended as to effect a beneficial change in the condition of the illiterate cultivators. Let the co-operators help our agricultural classes by co-operative means. (Cheers.)

Mr. K. G. Palker said as follows in Gujerathi —Mr. President and gentlemen, the resolution partly refers to the question of how sub-divisions of land should be stopped, because their stopping is necessary. What is the remedy? The remedy is legislation. You will have to resort to legislation, because without legislation neighbouring cultivators will not be willing to consolidate their lands and stop the sub-divisions of land. They will not come forward voluntarily to do that. Legislation is, therefore, necessary. Two neighbours will come forward for consolidation, if there is legislation to bring them together. By means of legislation alone, consolidation would be possible. As for stopping the sub-divisions, voluntary lecturers must be sent from village to village and that they should create quite a clamour round the ears of villagers with a view to persuade them not to further sub-divide their lands in future. As long as such lecturers do not go among villagers, the latter will not be

mpressed with the necessity of stopping sub-divisions, and until such an impression is created among cultivators, sub-division cannot be stopped. So that, three things are required for promoting consolidation and discouraging sub-divisions. Those three things are funds, legislation and lecturers.

The resolution, being formally seconded, was passed unanimously.

Resolution 2 of Sub-Committee II.

Dr. H. H. Mann said as follows :—Mr. President and gentlemen, this resolution was passed by the last year's Conference, which then felt considerable coolness and considerable suspicion that it would never be carried out. The resolution was as follows :—

Co-operative Cultivation Societies.

1. "The Committee desire to reiterate the resolution approved by the Conference last year, (see page 55 of the Conference Report), recommending the formation of joint cultivation Societies, and note with satisfaction the temporary experiments made in this direction.
2. The experiment at Bhamhora (see Dr. Mann's note) based on the lease of land to an unlimited Co-operative Society for ten years, and then cultivation of the land by individual cultivators on a 'batai' system, the society supplying finance, bullocks, and seed especially and undertaking permanent improvements, is worthy of consideration in dry tracts. Such societies can probably be extended in such areas; the Committee would commend them to the consideration of co-operators generally.
3. The experiment at Arjunsonda (Sholapur) of a limited Co-operative Cultivation Society, with a share capital, is also worthy of attention. In this case, the society is in the nature of a limited Company, lands being leased to the society for twenty years. It is managed as a whole, but the owners have a share in the profit. It depends very largely on capable management by the Managing Committee, but the attention of the co-operators may well be called to it.
4. The Committee do not consider that these two types of society are the only ones to be successful, and would recommend the encouragement of experiment in societies organised on other systems. One or two other schemes were placed before the Committee.
5. Where such societies are framed, the Committee is of opinion that appliances, such as pumps and oil engines, belonging to the agricultural department, should be lent by preference to them."

Gentlemen, when this resolution was passed last year, a good deal of doubt as to the possibility of its being carried out was raised. Some of us, however, felt as it was of such a vital importance, especially in backward and famine tracts, that some societies of this type should be established, and we determined to try and go ahead. We took in hand one or two possible cases, and we were able to devote a good deal of time and attention during the past year to see how far such societies are possible, and how far they are acceptable to the people. The

result is that we have proved, I think, that such societies are possible, that we have met a very large percentage of the difficulties which we felt, and that there is a chance for a very large extension in this direction to the very great advantage of the cultivators. Well, the first resolution which I, in view of our experience, want to recommend and put before the Conference, says that :—

“ The Committee desire to reiterate the resolution approved by the Conference last year, recommending the formation of joint cultivation societies, and note with satisfaction the temporary experiments made in this direction.”

I want to describe one or two things—to speak about the efforts in this direction, in which I particularly have been associated. My friend, Mr. Honap, and myself took up the question in one village in the Ahmednagar District, which had been very deeply affected by the famines of the last few years. The credit of the people had gone ; their bullocks had gone; 80% of their bullocks had died; and the land was rapidly passing out of cultivation. The population 10 years ago was 700. It was now reduced. According to the Census Report the village had obviously begun to decay. We felt that if we could improve the condition here, then we could improve the conditions in a good many places and restore there good cultivation where at present the outlook was very black. We got the people of this village to follow us. They agreed to lease their lands to a Society which was formed. They agreed to do so with a considerable amount of hesitation in the first instance. When their credit was gone, the only alternative for their safety was to have a society like this or to abandon the village. The Society, to which the lands had been leased, was able at once to get the finance necessary; and it was possible to carry out a large amount of cultivation in 1922. We had very great difficulty in framing by-laws for this Society. I will describe in a minute what those difficulties were; but those difficulties were met and the Society was formed and now promises to be successful. The people in these villages are in such a financial condition in this year, as they have not been in for many years.

The first difficulty in forming the by-laws was the question how to deal with prior charge on the land. We have dealt with this by having a provision, whereby, in cases of necessity, the Society may satisfy such prior charges before giving the man any of his produce at all. The second difficulty in the constitution was the question of withdrawal of membership. Suppose we have built a Bund or dug a well, and the man wanted to withdraw, how can we allow him to do it? He would destroy the very foundation of the society. We met this difficulty in a way which I do not know would please you. We have got a clause in the bye-laws providing that no man can withdraw his land from the society if the land is essential to the continuation of the work of the society. The third difficulty of the constitution was the question of permanent improvement. In many villages, it was felt that ordinary village Committees of Management would probably like to spend all their available credit, all their resources, in some permanent improvement, such as the Bund or a Tank, and that they might find themselves short of money in carrying out the regular cultivation. We dealt with that difficulty by having, outside the society, what we call the ‘Committee of Control’. This Committee of Control consists of

two members of the Managing Committee of the Society *plus* four outsiders appointed by the Registrar. The question of dividing profits in a concern like this is another of our difficulties. We have had to postpone the settlement of this question for one year, because we could not see our way through it; and we have not settled it yet. These are the difficulties as to the constitution. When we got to work, we found another group of difficulties. The first of these was on account of the suspicion of the people. They felt that if they lease land to the society for ten years, they would lose their control over the lands, and they also felt that the action of the society might be a preliminary to taking away their lands from them altogether. We got over this difficulty by dealing with it through some influential local men in whom the people had confidence. No amount of preaching by outsiders, no amount of assurance given by anyone else, but the men they knew well, would convince them. They would listen only to the village people in whom they had confidence. In the present case they listened to these men partly also because their credit was gone and they had nothing left with them. It was my friend, Mr. Honap, who asked these village men to use their influence, the men in whom the people had confidence. The second difficulty of this kind was that by leasing their lands to a society like this, they felt that their total credit would be decreased because they can no longer mortgage the lands. That difficulty has to be got over, because work otherwise cannot be carried on; and I may say that it was only got over, because the value of the land was already so reduced, that it did not seem to the people that there was much more to lose in the way of credit.

Another difficulty was about accounts; this difficulty we have not yet got over. The accounts of such societies are necessarily somewhat complicated; and it is not always that you can find people who can carry on such accounts in a village. At the end of the present year, however, I hope to be allowed to lay the whole of our accounts before the Registrar, so that the accounts be put in a standard and simple form which will enable the future societies to manage much more easily their accounts than they have been able to do at present. Still another difficulty was to divide the land so as to make areas suitable for cultivation. If we tried to do immediately what we think ought to be done, the people would never have signed the leases. We have in the present year allowed them to cultivate their own land—their own pieces of land—and also the lands leased to us by absent owners, adjacent to their own areas. We have not yet attempted to form really suitable blocks. We have, however, got so far in the result of this year's work that next year we intend to form blocks—suitable blocks for many ordinary cultivators and the members of societies. The actual work of this society, so far as it has yet gone, is something like this. We have taken eight hundred acres of land. These eight hundred acres of land have been leased to the society for ten years. That land has been handed over to the members of the society for cultivation. The society, in this case, has had to provide bullocks and ploughs and seeds; and we have done that, I think, with very great success. The land is cultivated either by the owners or by some other men. The remuneration, which is to be given, is by the division of produce. We divide produce in three parts. One part is, subject to certain deductions and subject to the payment of the land assessment, to be handed to the owners. Another part is

to be handed over to the men, who may have cultivated the lands; and the remaining part is given to the Society. So that the actual cultivator takes one-third of the whole produce. The Society takes the remaining third of the produce in return for supplying bullocks, implements and seeds, and this condition has been accepted willingly by the people in the village. As a matter of fact, the produce is to be sold by the society, and the money obtained will be divided in proportions similar to those I have explained.

This year has been an extremely difficult year. The 'Kharip' crop has failed; but we have recently got very good rain, and we hope to get a first class 'Rabi' crop. That will set the society on a better footing than we dared to hope during the first year. The finances of the society have been something like this. Under our bye-laws we have had power to borrow Rs. 15,000 with the consent of the Registrar. We got Rs. 5,000 from the Ahmednagar Famine Fund at 6% and we have got a cash credit of Rs. 5,450, with the Bombay Central Co-operative Bank, out of which we have drawn Rs. 4,410. Up to the present we have advanced to the people Rs. 5-2 per acre, and our actual total expenditure has been Rs. 11-8 per acre. We anticipate that our total credit the first year will be worth Rs. 17,000; of which, roughly, the society will be entitled to a little more than a third, or Rs. 6,000, which will enable us to pay off a considerable quantity of the amount we borrowed for capital expenditure. This is the result of one year's work, and out of it, the cultivators have got, first, their finance at cheaper rate than they could have obtained it otherwise, even if, under the conditions of credit prevailing in the village, they could have obtained it at all.

The second thing, that the cultivators have got, is that they have got bullocks and seeds, without having to incur fresh debt. Thirdly, they have got better terms from the society in respect of the sale of their produce than they could get from the *Saukars*. Moreover, we have been able to do permanent improvements this year by expending Rs. 150. In future, I hope, we shall be able to spend a good deal more. If we do permanent improvements, I think, we shall be able to get produce worth full Rs. 17,000 each year. My friend, Mr. Honap, however, has made this society an entirely different thing from that which I had in my mind a year ago.

This is one type of society; the second type of society is the one of which Mr. Godbole has already spoken, and I do not think I need further describe it; I think it is also worth the attention of the co-operators. The Sub-Committee did not consider that these two are the only useful types of societies. They simply suggest the two directions in which success seems to be certain. There may be other methods, better than the two already mentioned. As co-operators we have to make experiments in different directions in connection with societies of somewhat different types. But I think, by societies of one type or another, there are very great possibilities of success in tapping the backward areas, including the most difficult tracts in this Presidency. (Cheers.)

The President :--Has anyone to ask questions on this problem ?

Mr. R. N. Rajadnya said in Marathi to the following effect :—Mr. President and gentlemen, I am not able to speak English. I hope the Conference will, therefore, excuse me, if I address it in Marathi. As the President has kindly

allowed us to place before the Conference our difficulties about such societies. I wish to make a few remarks inasmuch as I come from that part of the Presidency where you find a joint 'bagayat' cultivation going on at the bank of the river with three or four 'motes.' Only eight cultivators are interested in the venture in view of the provisions of the present law of co-operation, which insists that there cannot be a registered body with more than eight persons. Last year we had got such joint 'fads' financed by the local credit society in my village. This year we have no less than eight such 'fads'. (Laughter.) The great difficulty in the way of such organisations' work is this, that the working cultivators meet with opposition from people through whose fields water has to pass in order to help the organisations' ventures. Hence, the whole scheme is likely to come to an end. These organisations also receive a setback from another quarter, namely, the difficulty in obtaining irrigation water too in their fields, which are jointly cultivated, and the water has to pass through the Government or public roads in the villages. (Cheers.)

Resolution No. 3 of Sub-Committee II.

Dr. H. H. Mann, in moving the third recommendation of Sub-Committee No. II said as follows:—Mr. President and gentlemen, I beg to move the third recommendation of my Committee, which runs as follows:—

"The Committee endorses the proposal made by Mr. Huli, that the Government should be requested to hand over the second-class Irrigation tanks to the villages concerned, if they formed a Co-operative Irrigation Tank Society, and that the amount of charges for repairs, if collected by Government for the agriculturists, should be given to the respective Irrigation Societies, if they undertake to repair the tanks."

Mr. C. B. Huli said as follows:—Mr. President and gentlemen, there is one village in the District, which is a small village. It has got a very good society; in it there is also a second-class tank, but it cannot give sufficient water for the cultivation of the land of the village. It is so silted up. So, the people of the village went to the Co-operative Tank Society; the matter was thence placed before the officer concerned; the people asked the officer whether they would get the tank of the society; the reply was that 'if the tank is near the farm of the society, the people would get the tank.' The reply further went on to say that under the irrigation rules the tank had not been repaired for want of water-cess. The tank not being repaired, it had completely silted up. People paid the cess, got the tank; but it did not contain good water. The matter was reported to the Irrigation Society. I want to place this thing before the Conference with a view that the Government may be requested to clean the tank and hand it over to such societies of people, as the latter be willing to form for management. (Cheers.)

The recommendation was unanimously accepted.

Resolution No. 4 of Sub-Committee II.

Dr. Mann said as follows in moving Recommendation 4 of the resolution:—Mr. President and gentlemen, the fourth recommendation of my Sub-Committee runs as follows:

"The Committee considers that it is desirable that the work of distribution of water, discharged by canals into distributaries, should be entrusted to the Co-operative Societies of Irrigators instead of to the Irrigation Department, as at present."

Gentlemen, the desirability of distribution of water Canals by the Co-operative Credit Societies rather than by the Irrigation department is recognised by those who have experience of such work. Everybody, who works in the Irrigation districts must recognise that if such a distribution can be undertaken satisfactorily by Co-operative Societies of Irrigators, it would be a very much more satisfactory arrangement than that in use at present. I would ask the Raja Saheb of Malegaon to give an account of his own experiences in this matter. (Cheers).

The Raja Saheb of Malegaon said as follows in Marathi:—Mr. President and gentlemen, I may be allowed to speak in Marathi. I am speaking of my experiences in connection with the cultivating operations with the water obtained from the Nira Canal. I suppose you know about the Canal, possibly you have read about it. On the first day of this Conference I said that the late Sir Vitaldas Damodar Thackersey had visited the place. He saw it then personally and subsequently started 29 Societies connected with the Nira Canal. All those Societies are doing a lot of good work. When the first Society was started, the state of things was the same, as it obtained at one time near Khadakvasla. Long before that Society was started, the Savkars used to take a heavy rate of interest from the people. Hence came a Society called the Tagai Scheme Society into existence, which gave away money at a small rate of interest. That led to the people's condition being improved. Latterly, that scheme was abolished; and then it was that, as stated above, Sir Vitaldas Damodar Thackersey started the first society. It took the place of the Tagai Scheme Society. The result was that people got water and money easily, and agriculture was much benefited; that is our experiences. Through these Societies we can get money at a lower rate of interest. That enables the cultivators to go in for the cultivation of sugarcane. The ultimate result of such Societies has been to improve the state of affairs of the people. Water is under the Government control. It is not under the cultivator's control. Government Department—the Irrigation Department have made rules, according to which we have to take water to suit their convenience. The result is that wherever we want water we do not get it, and the effect of it is that the sugarcane cultivation suffers. The heat of the sun scorches the plants of sugar-cane. That is my personal experience. My experience of the last ten years in this matter is that water should be left under the control of the people. The people should be allowed to manage the use of water. To this effect I had made suggestions and they were considered and an outlet was given to us, whereby 200 acres of land was laid under sugarcane plantation by 500 cultivators. Government Inspectors supervise how we distribute water, which is given out by a Meter. One hot season we passed since this new arrangement, and we have proved that we can carry on the management of the water properly. Every Government Officer has praised us and said that there is no dispute of any kind in our midst and that we do our work smoothly. From this you will see that if such Societies are started and allowed to do their work under the supervision of the Irrigation Department, the

Societies can carry on the management properly. Dr. Mann speaks of the management by the people themselves; we manage it in outlet No. 4. The management there is entrusted to us. We have to recover the assessment, and the water is distributed by meter. The Government has seen that our industry near the Nira Canal is in a prosperous condition, and that our cultivation on the spot has become prosperous to the extent of 50% through the Irrigation water; so they want to increase the assessment! We have received notice to that effect. There is a complaint from our side in reply. We say "Just while we are raising our head, you are placing a heavy load on it." We want to say this plainly. Let the Minister hear me. It is a bad policy to checkmate an industry, which is in its infancy. Suppose a plant has just commenced to bud, it is very bad to crush it at that early stage of its life. At this rate, we shall soon die. The Government is raising the revenue 50%. Under these new circumstances, which are looming large in the horizon, it is doubtful whether the management of the industry will go on as properly as before. Already sugarcandy is losing in value and if the prices are further reduced and the expenditure is increased, what will be the result so far as the industry is concerned? Therefore, we say "Do not raise the revenue. It may be that at present, owing to the good price that sugarcandy fetches, we may meet the demand of increased assessment, but when the prices fall, where shall we be? In the midst of ruination!" Therefore we want the control of water at a cheaper rate of assessment. (Cheers).

The recommendation was unanimously accepted.

Resolution No. 5 of Sub-Committee II.

Dr. H. H. Mann, said as follows in moving the fifth recommendation of Sub-Committee No. II :—Mr. President and Gentlemen, I beg to move :—

"The Committee recommends that the question raised as to cattle insurance be referred to the Provincial Conference Committee for report to the next year's Conference."

The recommendation was formally seconded and unanimously accepted.

Mr. C. B. Huli said as follows:—Mr. President and gentlemen, I beg to move the sixth recommendation of Sub-Committee No. 2. It consists of two parts, which consecutively run as follow:—The Committee put forward the recommendation in the shape of the following resolutions passed at the Belgaum Conference:—

1. "This Conference resolves that the Taluka Development Committees and the Local Bodies, contemplated by Government for the development of Agriculture in a Taluka, should be combined, and only one body for propaganda work should exist in each Taluka."
2. "That bodies of the combined type should be formed wherever Co-operative Agricultural effort has created a demand for development, and that membership should not be entirely restricted to Co-operative Societies, though in most cases it will chiefly consist of these, and that the Co-operative Societies should be recommended to lay aside a portion of their reserve fund for their support, where they are able to do so."

Gentlemen, we see that in some Talukas we have got Taluka Development Committees and also local Bodies, both contemplated by Government. They are nearly the same in their objects. These bodies do not do as much work as they are expected to do, because they have no sufficient funds. If they get sufficient funds, they will work very efficiently; and, therefore, our Sub-Committee recommends that these two Bodies should be merged into one. There should be one Body, called either the "Taluka Development Association" or by any other name, instead of our having two Bodies.

Mr. P. K. Jambhekar, in opposing the resolution, said as follows:—
 Mr. President and gentlemen, I do not think it is advisable for the Conference to accept this resolution. I will bring to the notice of the Conference this that of the two bodies, namely, the Taluka Development Committee and the Taluka Local Body, the Taluka Development Committee was brought into existence by Government only recently with the intention of developing agriculture only, wherever possible, either through ordinary Co-operation or through agricultural co-operation, but not through the urban Co-operation or stores Co-operation. That Body is, in fact, intended to develop agriculture only through co-operation, wherever possible. The object of it is agricultural development alone. Therefore, it is brought into existence, so far as I understand the matter. I am not going to withdraw my objection if it includes urban Co-operation. For Co-operative Development Committees, Taluka branches be instituted, and intended to develop that co-operation. In all these stages, in all these forms the bodies should not be merged; they should be allowed to co-ordinate, to go hand in hand, Agricultural credit, non-agricultural credit, urban Co-operation, consumers' Co-operation, Producers' Co-operation, every sort of Co-operation, should not be allowed to merge one into another, but to co-ordinate with one another. I do not think it is advisable to allow any one body to entirely absorb the other. One body may co-ordinate with another. It is not advisable to let all these bodies absorb and annihilate one another. The Development Committee should not be diverted for other purposes than the agricultural purposes. That is my contention. I am strongly of opinion that this Conference should not pass this resolution, because, if the two Bodies will be amalgamated, their energies and their funds will be frittered away to the detriment of agricultural improvement, which is the goal of the Co-operative Development Committees.

Mr. Otto Rothfeld said as follows:—Mr. President and gentlemen, I beg to second the resolution. I think there has been some confusion in Mr. Jambhekar's mind about the actual position that the two bodies ought to occupy. First of all, I think, there is in his mind some confusion about the duties of the recently formed Taluka Development Committees in the Presidency and also about the duties of the Co-operative movement. I think his assumption is quite wrong. So far as the Taluka Development Committees are concerned, they are only three in the whole Presidency.

Rao Bahadur Talmaki : There are 15 of them.

Mr. Rothfeld : I do not know that. I think they are not yet registered under the Co-operative Act.

Mr. Jambhekar : All branches of the principal Institutions are supposed to be registered.

Mr. Rothfeld: They are not branches, are they ?

Mr. Jambhekar: They are. They are called by the nomenclature of "Taluka Branches".

Mr. Rothfeld: I did not know of their existence. I am surprised to hear of them. They are increasing very rapidly in the last three months. But I had no idea that they were grown to the extent of 15. At present, there are, I believe, 11 or 12 Taluka Associations. The Taluka Development Committee and Branches have no funds. The Branches of the Institute, at present, lack funds. The Taluka Associations have got definite funds. The Bodies wanting funds should get the required funds from the people in the villages. We should have one developing body in each Taluka. That is what I have already suggested in the bye-laws. That will have to be done before we solve the question entirely. Get your new Association registered under the Co-operative Act and let it be affiliated to a branch of the Institute. That answers one difficulty. It seems to me that everything that is required for agricultural Co-operation should be done. The second point raised is a subtle one. It is said that such bodies are intended primarily for the benefit of agricultural Co-operation. The inherent condition of rural life and rural Taluka Co-operation seems essentially to be agricultural Co-operation. I cannot see there is any harm if the Association is intended for and interested in both agriculture and Co-operation. The Director of Agriculture and myself see the advantage of both Agriculture and Co-operation being treated as one entity. I do not see any reason to suppose the Director will object any more than I shall to the existing Association devoting itself to stores or sales of Industrial produce. I, therefore, strongly recommended them to be the same entity.

A Delegate: Mr. President and gentlemen, I beg to support the resolution. I have discussed the question with the Secretary of the Maharashtra Branch, and I think almost all the difficulties, which we might have, would be solved. Let the Agricultural Societies say how much subscription they get from the members. Very few men, who are members of the Agricultural Society, are not the members of the Credit Society. Generally, from the wording of the resolution, I think the Government is going to give a grant, and it is for some Talukas and not for all Talukas—it is for the Talukas where there are Taluka Agricultural Societies. Let there be no opposition. Let them not say that this resolution should not be passed. The result of the opposition would be that the Registrar will say: "There is a resolution of the Conference that there should be two bodies, so, we should not pay subscription for two things." That is the reason why this Conference should pass this resolution. The difficulties made so much of are no difficulties at all. Let there be no opposition. Let people come forward from villages and say that they do not want one body and that they want two bodies. With regard to the Consumers' and Producers' movements, the Registrar has issued a Circular that these are quite distinct branches. Let there be separate institutions for the Producers' and Consumers' movement. Let there be branches for Stores' and Consumers' movements. In their case we should not have one body. We should have distinct bodies and distinct conditions. (Cheers.)

At this stage the Conference adjourned for the assembly to be photographed, and when it met again, the following proceedings took place under the presidency of Mr. Devadhar, the Hon. Mr. C. V. Mehta, the President of the Conference, having left the hall :—

Mr. Devadhar: Gentlemen, we have not closed discussion yet with regard to the resolution No. 6. of the Sub-Committee No. II, and I will like, therefore, to have the views of the Institute put before by my friend, Rao Bahadur Talmaki.

Rao Bahadur Talmaki said as follows:—Mr. President and gentlemen, Mr. Jambhekar has pointed out that the merging of the two bodies—Taluka Development Committees and Taluka local bodies—would cause some confusion. I may point out in this connection that we have by-laws, model by-laws, of one Taluka Association, sent to us by the Registrar for review and criticism. We looked at those by-laws purely from the point of view of the Taluka Development Committees. There is a suggestion in the joint note written by the Registrar and the Director of Agriculture that these two bodies may usefully be combined and formed into one, but we did not look upon those by-laws from that point of view. However, since this view has been accepted by the Committee, before which this subject was placed, and it has also received some sort of acceptance from most of the gentlemen who spoke at this Conference, I think that there could be no material harm in combining these two bodies. So far as I can see, there is no fear that the duties assigned in one case might encroach upon or lead to a neglect of the duties assigned to the other. We may frame our bye-laws in such a way that there can be no such encroachment either on the work or on the duties assigned to the one or the other Committee. We may add if necessary, one or two words to the effect that the combined by-laws might be framed by the Institute or rather by-laws, already submitted to the Institute, may be so revised as to combine both the duties. With this safeguard, there should be no objection in my opinion to the resolution placed before you, and as this is an experimental measure, I do not think we need have any misapprehension on this subject. If, after working with the amalgamated bodies, for some time, we find that there has been any such encroachment on the duties of both, it may be time to consider the point. In the meanwhile we can give some sort of trial to the experiment now proposed. Gentlemen, generally in a Taluka place, excepting in the case of a few forward Talukas, there are very few gentlemen to take up any public work, and in view of that fact and in view of the fact that when assistance by way of funds will be given by Government to the Taluka Development Committee, the energies of men of these Taluka places will be diverted towards the Taluka Development Committees, and are not likely to be directed towards the branches of the Institute. In such a state of affairs it would be most advisable that the two bodies should work hand in hand as far as possible, and give us the benefit of their experience hereafter. With these words, I suggest that the necessary rules, to provide for the working of such combined Associations, be framed by the Institute.

Mr. Devadhar: Gentlemen, our friend, Rao Bahadur Talmaki, who knows a good deal about this subject, has put before you two points namely, the desirability of combining the two different bodies, that are coming into existence in Taluka areas, and also the unnecessary fear that is entertained by some of our friends

about the one body being absorbed by the other. We have no data by way of experience to enable us to consider prejudicially the especial circumstances of the co-ordination that is being worked out between the Agricultural and Co-operative Departments. I think we should get fair control of this new form of association without going into the question, but with a proviso being added, as suggested by our friend, namely, "provided that a bye-law be framed by the Institute for the guidance of the new bodies." With these few words, gentlemen, I think you will be prepared to accept this resolution, which is moved by Mr. Huli. (Cheers)

The resolution was carried unanimously.

Mr. Devadhar: Gentlemen, practically, we have thus come to the end of the Conference proceedings. We have finished the consideration of the various reports of the Sub-Committees that sat to prepare those reports. Now according to the agenda, we have got before us item No. 2 as to the appointment of a Committee for taking actions on the resolutions just passed by the Conference. This is a new resolution that is to be put forth. I will ask Rao Bahadur Talmaki to move that resolution. (Cheers.)

Rao Bahadur Talmaki said as follows:—Mr. President and gentlemen, the resolution I am asked to place before the Conference runs thus:—

"That the Conference appoints a Committee for taking action on the Conference resolutions of this year."

Gentlemen, last year we had appointed a Committee for taking action on the resolutions passed by that Conference. That Committee consisted of the Standing Committee and the Director of Agriculture and the Registrar of the Co-operative Societies. Now what I want to point out is that it should not be necessary to appoint such a Committee at every Conference. There should be a Standing Committee for taking action on the resolutions. It should take such action as may be necessary and proceed with its business at once, and if it is to be incorporated in the scheme of the Conference itself, there should be no occasion for passing this resolution every year. Moreover, it was found that there should be one Committee for taking action on the Conference's resolutions and to take every other responsibility with regard to the convening of the Conference. We have constituted a certain Committee for taking action in connection with the organization of the Conference, and at the last Conference a different Committee was appointed to take action on the resolutions of the Conference. In consequence of the existence of these two Committees it was found that their duties would clash and that it was not possible to expedite the work of the Conference. Much of the work of this Conference could have been expedited, if there existed only one Committee. This matter was placed both before the Conference Committee and the Standing Committee. Both the Committees approved of the idea that there should be only one Committee for doing all the necessary work in connection with the Conference. In addition to the Constitution set out in the last year's resolutions, names were added of three more gentlemen who were to be co-opted by the Committee, so that, in the case of necessity arising, there should be some gentlemen, who were well-versed in the matters, and that it should be possible for that Committee to select such gentlemen on the Committee as would take

the necessary action. The resolution of the Conference accordingly runs to the following effect:—

“That the Conference Committee for taking action on the Conference resolutions be the same and be constituted of the members of the Standing Committee, the Registrar and the Director of Agriculture, with powers to add three more members.”

Gentlemen, we have to consider one more point. Last year an amended scheme of the Conference was considered to the effect that our Divisional Branches should be entitled to send two representatives to this Provincial Conference, and since then we have formed Taluka Branches also, and these Branches have raised a point whether they also are not entitled to send at least one representative each to this Provincial Conference. Consequently, we complied with the desire expressed by them, and now I beg to move that “Each Taluka Branch should be entitled to send, at least, one delegate to the Provincial Conference.” (Cheers.)

Mr. Y. G. Gurjar said as follows:—Mr. President and gentlemen, I want some explanation. Last year, in the Provincial Conference, we had a resolution that each Divisional Branch had the right to send two delegates to the Conference; now you are moving that each Taluka also should have the right of sending one representative to the Provincial Conference. But you have not taken into consideration the state of the Konkan. Now, as District Councils are formed, I beg to add to this resolution that “There should be some right given to each District Council to send its representatives to the Provincial Conference.”

The President: You are speaking of Taluka Societies or District Societies?

Mr. Gurjar: I am speaking of District Societies. I say there would be no representatives of the District Councils at the Provincial Conference, unless you have that provision specially made in this resolution. (Cheers.)

Prof. Kaji said as follows:—Mr. President and gentlemen, with your leave I beg to suggest an amendment that “Every local branch, whether Divisional or Taluka, should have allotted to it double the number of delegates that are allotted to it in ordinary circumstances, when it happens to belong to the Province where the Conference meets.”

Gentlemen, at present, the practice prevails that for every Local Divisional Branch we allow 4 delegates instead of 2 when that local branch belong to the place where the Conference is held; for instance, take the case of this Conference in Bombay; the Bombay Branch is allotted 4 delegates instead of 2; last year also when the Conference was held at Poona, the Maharashtra Branch had been allowed to send 4 delegates instead of 2. That has been the practice with regard to the Divisional Branches. Now with regard to the Taluka Branches also I want the same privilege to be given. Each Taluka Branch should be allotted two delegates to the Conference instead of one if it belongs to the place where there is the sitting of the Conference. Therefore, what I want to propose is to move, as a formal resolution, that—

“Each Local Branch—whether Taluka or Divisional—will be allotted double the number of delegates that is ordinarily allotted to it, provided

it falls within the place where there is the sitting of the Provincial Conference."

Of course, if the Conference is held in a place like the Ahmednagar District, the question of the right of the Divisional Branch will not arise to send any particular number of Delegates. I simply suggest this idea for being adopted wherever it can practicably be adopted. (Cheers.)

Mr. Devadhar: Gentlemen, do you accept the amendment?

A delegate: Yes.

Mr. Devadhar: Then the amended resolution reads like this:—

Mr. Rajadnya said as follows:—Mr. President and gentlemen, I would like to suggest the combination of the two bodies; the newly constituted body of the Taluka Co-operative Association may have the privilege of sending one delegate. The Agricultural Associations, which are to be started in Talukas, may also have this privilege of sending one delegate each. They are in-fact combined bodies. The Taluka Branch is to be newly combined with the Agricultural Associations.

A delegate: They are not formed as yet.

Mr. Devadhar: Gentlemen, we generally approve of these three amendments, and with these three amendments the resolution will read as follows:—

"That the Conference Committee and the Committee for taking action on the Conference resolutions be the same and be constituted of the members of the Standing Committee of the Institute, the Registrar of the Co-operative Societies, and the Director of Agriculture, with power to co-opt three other members if necessary to consider the matter".

Gentlemen, with these amendments, I think, you will accept this resolution. (Cheers.)

The resolution was unanimously carried.

MR. DEVADHAR'S FINAL SPEECH,

FROM THE CHAIR.

Mr. G. K. Devadhar said as follows:—Friends and fellow-Countrymen, while finishing the work of the Conference, I want to formally move a proposition, and it is with regard to the appointment of a small Committee of Judges for the exhibits that are sent to our Exhibition. I must say that though this is the first Exhibition of its kind and the first attempt has been made in that direction by the Bombay Central Co-operative Institute, with great energy put forth by our friend, Prof. Kaji, and his other colleagues, (Cheers.) we are going, in the near future, to do some substantial work. I understand that the sale of exhibits amounts to something like Rupees 1500, and that the sale of tickets amounts to something like Rs. 200, which latter item would probably show that nearly 1,000 visitors must have come to see the Exhibition. I suppose this is a very good beginning, and we ought to express our satisfaction.

Now, in order to encourage the people that sent articles from long distances, we appoint a Committee of Judges to give to the exhibitors some kinds of Certificates and prizes, and it is, therefore, proposed that "A Committee be appointed, consisting of myself, Prof. Kaji, Mr. B. F. Madon, Mr. J. A. Madan, Mr. G. S. Ranade, Rao Bahadur S. S. Talmaki, Mr. V. L. Mehta, and Mr. L. S. Potnis, to judge the merits of the articles and decide the way in which those merits should be recognised by certificates or prizes or any other forms which the Committee may recommend". I hope you will accept the proposition. (cheers.)

A Delegate: I propose that the number of members on the Committee should be reduced. (Laughter.)

Mr. Devadhar: Those who want to make the Committee smaller need not attend. (Renewed laughter.)

Rao Bahadur Talmaki: Gentlemen, I cannot work on the Committee.

The proposition as mentioned above was finally passed.

Mr. Devadhar: Gentlemen, we are practically at the close of our deliberations; but before we disperse, I think, we have a very pleasant and necessary duty to perform, and that is to pass a vote of thanks to our President, who unfortunately could not be with us this afternoon. You have no idea to what extent relief was granted to us by him with readiness when we approached him practically at the eleventh hour. If it is not too much for me to say to his credit, I will tell you how he came to our relief at the eleventh hour. Some of our friends on the Standing Committee had thought that this year we might adopt a new procedure for the purpose of having a President on the lines of the Madras Provincial Conference, that is to say by having somebody from outside Bombay to preside over this Conference. Brothers, it was no departure, because on previous occasions we had distinguished visitors from other Provinces, though not necessarily as Presidents. This year we desired to put an outsider in the Chair itself. Nearly half a dozen names were suggested, and letters were addressed to them; but it was not possible for us to get their replies. So we had to go from pillar to pillar and from post to post. Ultimately on 24th ultimo (24-11-22) we approached the Hon. Mr. C. V. Mehta. He came to our rescue. He recognised the difficulty of our situation, and he at once accepted our call. He is, therefore, entitled to a special vote of thanks on our behalf. He is at present in charge of the portfolio of Co-operation, and he knows exactly the way in which the Department is working, and being one of us, though now in Official position, he also knows exactly the non-official working machinery. In the course of a heated and enthusiastic discussion he was led to make certain remarks which showed his enthusiasm and keenness in the work before us. He is not unmindful of the difficulties of non-officials. He has been able to recognise those difficulties fully and fairly. I believe that with the concurrence and active support of the Registrar, Mr. Rothfeld, he has been able to give us a fairly large measure of assistance. I have described in my preliminary remarks the call we have been making both on the Registrar, on the Minister, and on the Agricultural Department, and also on some of our outside friends. It would appear from the way the Bombay Central Co-operative Institute had to meet our calls, that it would really be necessary for it to have a much larger staff of very competent men to

carry out that kind of work. I acknowledge on behalf of the Conference that the Minister, the Registrar, and every other person connected with Departments concerned with the subject of Co-operation, are working with energy, recognising our difficulties, and to a large extent, extending to us their hand of fellowship and helpfulness. They are all entitled to our best thanks. Next, we have to thank the body of young students for the help they have given us as Volunteers. I think this year one of the special features of our Conference is not only the Exhibition but the enlistment of a large number of young Graduates as volunteers. These people were fully interested in the work that was entrusted to them. I hope they will continue their interest. We should look up to them for work of this kind. We have to thank most sincerely these volunteers for the help they have given both to the Exhibition and to this Conference. Gentlemen, I cannot forget to express the thanks of the Conference to the Delegates and visitors, who came from long distances like Sind and Karnatak, nor can we forget to thank the distinguished visitors who have come from Baroda and other Native States. We are extremely grateful to them for the encouragement they have given us, and for the interest that they have shown in the work that our Presidency is doing. Indeed our best thanks are due to all those who have come here as Visitors or Delegates from long distance, such as I have already mentioned. We have in this Conference gentlemen from even Nizam's Hyderabad and Mysore and the Punjab. Our thanks are also due to the Department which has placed its hall at the service of the Conference and the Exhibition. Gentlemen, there is another gentleman who is entitled to our best thanks. He is entitled even to our respect and special mention. I speak of Mr. Toro, the Visual Inspector of the Bombay Government. He has taken the trouble to come down and give us the exhibition by taking considerable pains with regard to the Magic Lantern lectures. (Cheers.)

The Rajasaheb of Malegaon seconded the vote of thanks.

The resolution was passed with acclamation.

Prof. Kaji proposed a hearty vote of thanks to Principal Fox, of the Royal Institute of Science for his very great services in lending the Conference the use of his rooms for the Conference Exhibition.

The proposition was formally seconded and enthusiastically carried.

Mr. Devadbar then announced the "At Home" to be held by the Hon. Mr. Lalubhai Samaldas at 6 o'clock in the evening in the Servants of India Society's Hall. He requested the visitors and delegates of the Conference to accept the invitation for the "At Home" on behalf of the host. He also announced a meeting at 9 o'clock at night in the Servants of India Society's Hall to consider the question of raising a memorial in honour of the late Sir Vithaldas Damoder Thackersey. He then declared the Conference dissolved.

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Appendix I

Notes on subjects for discussion

I. RESOURCE MOVEMENT

1 (i) Debt Redemption

1. Rao Bahadur R. G. Naik:—At the present stage of the growth of the co-operative movement in our Presidency while we think of redemption of old debts of members of our societies, our eyes are naturally turned towards the Central Financing Agencies namely the District Co-operative Banks and the Provincial Co-operative Bank. These are the sources from which funds must now come to satisfy our aims, as the primary societies, are all at the present moment quite unable to undertake the work as they themselves have to depend very largely upon these sources even to meet the primary and current needs of their members. It is also felt that even these Central Financing Agencies owing to their insufficient and inadequate working capital are not able to meet all demands of all member societies even for current expenses of their members. It is under these circumstances, that we have to consider the question of redemption of old debts of members, which to be frank requires a really huge capital, and which certainly is a matter of vital necessity to make the beneficial effects of our movement felt amongst the grossly illiterate and debt-ridden members of our societies. From my cursory survey of the economic condition of several members of several societies in the different tracts of the Southern Division of our Presidency, I am led to think that almost all poor members of almost all our societies are still not free from the influence of local money-lenders to whom they are in many cases found still to be indebted to the extent of more than double the debt they owe to their Society, and to whom they pay more than double the rate of interest they pay to their society and all these debts are for current purposes. This is generally the financial position of our societies and of our members, even with the financial help they have been receiving from the District and Provincial Banks. If this is the state of affairs, it is more than certain, that our financing agencies are still not in a position to advance loans for and encourage redemption of old debts of members to any appreciable extent. Therefore from a practical point of view, I am inclined to think that till primary societies from their owned capital and that supplied from the Central Banks are in a position to meet all necessary demands of their members for current purposes, and thus prevent the members of these societies from approaching money-lenders, redemption of old debts on a large scale should not be undertaken or recommended. To prepare the ground for such an undertaking, certain preliminaries are absolutely necessary, the chief amongst which will be the following:—

- (a) Every primary society, should be compulsorily asked to keep a periodical statement of the assets and liabilities of its members, just to study the financial position of members from time to time and to know approximately what amount would be required to undertake debt-redemption.
- (b) The number of members in many societies is quite disproportionate to the working capital. Many of these members have not still understood the true principles of co-operation. Societies should therefore be asked to reduce the number of members by expelling those that are undesirable and who are many, in many societies.

- (c) Members of primary societies should be prohibited from taking outside loans as long as they remain members on pain of expulsion from the society in case they do so.
- (d) Central Banks should be requested to raise their working capital commensurate with the additional demand so as to make it sufficient to meet the increased demand of affiliated societies to satisfy their members' current needs in full.
- (e) Steps should be taken to ensure that in all societies, no member is partly paid on his demand for loan for current purposes. They should be asked to make a regular fore-cast of members' needs and keep themselves equipped with sufficient funds to meet the demands when made. A few breads and many to eat keep all under semi-starvation and drive them to seek support from outside. Indebtedness is not decreased thereby. Members' loyalty in Societies is thereby shaken. It impedes the development of that character in a member which makes him a co-operator in the real sense.

It is therefore that I suggest a rigidly limited and selected membership in societies with an adequate working capital to meet the current demands of members as a condition precedent to the undertaking of debt-redemption in a particular society. With a selected and restricted number of members and an adequate working capital to meet all the demands for current purposes, we can have a well-disciplined and contented army of co-operators, on whom we could rely for punctual repayments of enormous debts that shall have to be advanced for the redemption of old debts and whom we could trust for economic and thrifty mode of living and for efforts towards proper utilization and more production to pay off their debts. This should be the stage when we could with advantage take up redemption of old debts of members. Side by side with the growth and development of primary societies, on the above lines to attain the above stage, the Central Financing Agencies, shall have been sufficiently stronger financially and we shall also be knowing exactly what amount would be required to undertake the gigantic task of debt redemption on a large scale. But, I believe it is impossible to undertake such work on a large scale, under the present circumstances, unless the Government extends its helping hand to the movement by depositing large funds with our Financing Agencies as long term deposits at an easy rate of interest and returnable by instalments. The real difficulty therefore in the way of debt-redemption is of "money" and of well disciplined co-operators in many societies. I see nothing standing in our way as a result of conditions imposed by the Central Banks and the Department of Co-operation for the purpose of debt-redemption.

2. **Mr. K. G. Palkar:**—The work hitherto done by the Primary Societies in this Presidency does not extend far beyond advancing loans to their constituents for a period of one or at the most two years for the purpose of (1) clearance of past petty debts, (2) purchase of bullocks, fodder or seeds, (3) house-hold expenses and (4) defraying labour charges of weeding, harvesting &c. With regard to these, again, it reflects serious doubt whether the loans advanced are utilized for the specific purpose for which they were given. In fact in a majority of cases no tangible result to an appreciable degree will be marked on a thorough examination. While on one hand we have gratifying news of an increase in owned capital, we hear of disquietude on the other, on account of large overdues in increasing proportion. The latter is ascribed to bad seasons. Truly speaking these overdues are due more to lack of supervision and indulgence on the part of the Managing Committee than to bad seasons. The result is that the cultivator has remained where he was before, if not worse. It is said that the members of the Managing Committee should be men of substance. This would seem to be a sound policy on the platform. In practice, however, this is rarely to be found. In agricultural rural societies few men of substance take any real interest in the Co-operative Movement out of philanthropic motives. A careful scrutiny will bring to light that the liabilities of some of these leaders due to the societies are greater than those of other members. Their status as men of substance cannot be expected in the initial stage. It is enough for our purpose if they are men firmly established in character and really desirous of and intent upon improving their own condition and that of their fellow brothers.

2. It is not the object of this note to throw cold water on the Co-operative Movement. We should not be disappointed nor be discouraged at any such shortcomings, but persist and persist in making these societies realize their own duties and responsibilities and in raising them above their own level. It will be seen that even the work done by good societies working on sound basis is only a small fragment of their operation in the vast field before them. They have only touched the fringe and should now be led to further steps in the movement of their ultimate goal. The subject of the redemption of debts totally should now be undertaken by these societies. In this respect societies in the Punjab seem to be far ahead of us, when we read that about 3600 cultivators have been entirely freed from debt, about 2,300 acres of land redeemed and some lands also secured by mortgage and purchase. We are lagging far behind in this respect. It is surprising to note why this work cannot be undertaken in this Presidency when we find that there was a large surplus of capital in the Provincial Bank which could not be utilized by the District Banks to the full extent of their cash credit and had therefore to be invested in the Joint Stock Companies.

3. The reasons for this are not far to seek. One of the reasons is that there are only a very few Guaranteeing Unions to supervise and efficiently control our Primary Societies. Until such unions come into existence in sufficiently large numbers, the duty of strict supervision and control would devolve on the District Banks. If the members of their Managing Board cannot take up this work of proper supervision, the Bank should employ adequately paid qualified supervisors for this purpose. The policy of engaging small paid inspectors not conversant with the fundamental principles of Co-operation is a bad economy. In the absence of well-paid competent supervising staff the Managing Board are afraid of sanctioning long-term loans. Short-term loans by the District Banks is therefore another factor to be reckoned with as an impediment in the progress. The third reason is that maximum credit of a society is not properly assessed and the maximum limit of a loan to the members of a society in the bye-laws fixed by the Department is very low. The imposition of this hard and fast condition also hampers the District Banks in giving long term loans.

4. It is therefore recommended that the District Banks may well be advised (1) to take up the work of debt-redemption in right earnest; (2) that this purpose would be best secured by the District Banks assigning the work of assessing the maximum credit of good societies after a thorough and careful scrutiny to a special committee of willing members serving on the Managing Board or of other influential and respectable enthusiastic Co-operators in the locality, or engaging competent well paid supervising staff; (3) that the Department, the Institute and the Branches be moved to exert their best in view to their starting Guaranteeing Unions wherever possible through their organisers and finally the Department be requested to remove the hard and fast condition of fixing limit of maximum loan uniformly in the case of all members of sound working societies from their Bye-laws, on the maximum credit of such societies being properly assessed.

5. If exertions are made to carry on the work of debt-redemption on the lines indicated above with proper safe-guards and on sound economic and fundamental principles which is of course very imperative, good promising result may be expected in near future.

3. **Mr. D. R. Kale:**—The condition that only A class societies should have the privilege of getting long term loans, leaves the societies more or less at the mercy of the Auditor. It is very difficult to say how far the audit classifications are true tests of the Society. In many cases when the Society is audited in the slack season (i. e. before the commencement of recovery season) the position of the Society is not truly represented and naturally it is classed "A". While if the same society were to be audited just after the recovery season it will have to be classed as "B" for arrears or for some other irregularities which are sure to occur. Auditors have to audit not less than hundred societies a year. They have a very short time at their disposal to look full well into the general administration of the societies. Cases are not wanting where the society fit to be classed "A" is classed "B" only on the strength of the Registrar's circular about the fixation of normal credit when many of them did not even know what fixation of normal credit actually meant. It would therefore be advisable to say that the audit class should be one of the qualifications instead

of exclusively giving that privilege to "A" class societies. If a society in "B" class can satisfy all the other conditions, long term loans should be granted to it though it be in "B" class.

It has been said that a liquidation scheme should be drawn up and efforts be made to redeem all good members totally in three years. In such cases when such a scheme is prepared the amounts required by societies for total redemption of all good members go very high and the societies are not allowed to take up the liability. The amount of old capital or the reserve fund is taken as the sole criterion of the efficiency of the Society and it is disallowed to take the liability of long term loans. When societies assume unlimited liability they do so to increase their borrowing capacity and if mechanical tests like those referred to above were to be enforced, societies should better be allowed to take up limited liability, as such a course would be safer. If long term loans are not advanced to good societies on the basis of total value of assets of the members, what is the use of unlimited liability taken by the members. I therefore opine that good societies should not be debarred from undertaking debt redemption schemes if the owned capital of the society be rather insufficient.

In total redemption, there is another factor to be reviewed with some leniency. Even though in many cases loans will have been taken for unavoidable reasons or for productive purposes, some cases are found when debts are incurred for unproductive purposes, such as building houses in the village and dowries etc. Of course, such purposes though not productive purposes have to be taken as appropriate purposes while reducing old debts. So if any hard and fast rules are laid down regarding the purposes of debt incurred, total redemption will be very difficult if not impossible. Each case of redemption would therefore have to be examined on its own merit.

It would be well nigh impossible for the scrutinizing officer to say for what exact amount the creditor will compound. In many cases the creditors live in different places other than the villages where the society exists. Some of the creditors do not care to present themselves if called for, because they do not really desire that the borrower should be saved from their clutches and naturally several of them are very exacting. That does not go to say that the member should not be redeemed. Of course every member would naturally wish to repay his creditor as little as possible and the creditor to exact as much more as possible. To say that the creditor would be compounded for a certain amount before actually receiving the money would be counting the chickens before they are hatched. No borrower would wish to pay more to the Sowkar, but if he is obliged by circumstances, he has no other resource than to satisfy the Sowkar's claims. So if the scrutinizing officer has to lay down in exact figures what remission the borrowers would obtain it would have to be done approximately by consulting the local managing committee about the nature of the sowkar and the nature of the transaction viz., rate of interest, security given to the sowkar etc. If the motive of this condition is to see that the sowkars do not take an undue advantage of the finance made available to the member by the Society that would be better given effect to by the members of the managing committee, provided they are influential and put their moral pressure on the sowkar. But exact amounts of the remission to be obtained cannot be specified unless the sowkar is approached with the actual amount to be repaid.

It is a very difficult thing to prohibit the pure type of Indian agriculturist from incurring debts for the purchase of lands which do not yield sufficient interest on the investment. Indian agriculturist being hopelessly illiterate dare not invest that money in Bank etc. though at higher rates of interest than they can expect from investments in lands. He is too conservative in his views of investing his money in landed property for the following reasons:—

1. The immovable property of lands which is in his own possession and which would be easily managed by himself or his descendants is always preferred by him to any sort of moveable property fetching more income.
2. Though the land purchased may not be yielding sufficient profits now, he expects to make it yield more by effecting improvements in times to come.
3. His previous experience of investment in lands though the investment was not sufficiently paying when the lands were purchased induces him to purchase lands as those

lands previously purchased yield him much more now than any outside investments. So with hopes of future prospects of getting more he invests in the purchase of land.

He has got a firm belief that immoveable property cannot be easily squandered away by his sons etc.

5. He has to purchase lands in many cases to make the holdings economic for his sons or for himself.

6. He is obliged to buy the adjoining land in order that he can effect agricultural improvement more profitably, though the price of land is prohibitive from the investment stand-point and it would prove a good investment in the long run.

7. Inam lands saleable only to the members of certain family are purchased at the cost of some loss in the investment.

8. Lands nearer the village are easily approachable and have to be purchased at high prices because they can be easily improved and properly supervised.

The Agriculturist thus invests his money in land with the belief that he would be profited in the long run, if there are favourable seasons. But unfortunately for the agriculturist there are in recent years more bad years than good ones and dry agriculture has now become a gamble in rains, as a result of which the agriculturist remains in debt. With all this, it is not easily possible to remove the notion of the agriculturist that land investment is a sound form of investment. But I hold that in the purchase of land in the last four cases (viz 5, 6, 7, 8) the agriculturist is to some extent justifiable in his investments and debts incurred on such cases should be taken up for redemption.

Another condition is that a member should have proved his capacity for thrift and industry by voluntarily depositing his earnings in the society or repaying a portion of his debt and of his income, but what he really finds in the village societies is that voluntary deposits are very few, even from well-to-do members. To expect members in debt, to increase their deposits in the Society in these years when rains are uncertain and bad years are frequent, the cost of living being very high is merely a high demand. It would be sufficient if he has right to pay the interest of the sowkar every year in normal years and part of his debts in good years. Yet another condition is equally hard to fulfil. This demands that the members should enter into a written agreement that after the liquidation of the debt he will not borrow for ten years or buy on credit from outside. To enforce this clause proper discretion should have to be used. The present financial arrangements to societies are in many cases not suitable to enforce this clause I may relate in brief how a certain member once redeemed cannot avail of finance from their societies for the following various reasons.

A. The Individual loan limit being fixed in each society, the society will not be able to advance more loans even for current agricultural purposes though the member really needs more money is true and is really fit to be granted more amount than the fixed limit.

B. The maximum guaranteed liability in Union Societies is fixed by the Union and in some cases though the individual loan limit allows a society to advance loans, the total amount of loans required by the society in excess of the guaranteed liability, is not easily available in time.

C. The maximum should be incurred by the Society being fixed would, in some cases, debar the society from allowing for loans to finance such members adequately.

D. In the Union system the credit of a well-managed society is automatically stopped by the suspension of the Union credit for some mismanagement of other societies in the Union. Thus the society shall not have any outside finance for current needs and redeemed members would naturally involve themselves in outside debts.

E. In several cases there is delay in getting loans from the Central Banks and the redeemed members shall have to approach sowkars for temporary loans at least.

2. If the present methods are to remain in force, the increased inspection by the Central Banks and consequent levy of charges for such inspection are desirable, but its need is open to question at present in view of the establishment of supervising unions or guaranteeing unions over the entire area covered by Primary Societies, one of the functions of these unions being the assessment of credit of each borrowing Society. The Central Bank should be allowed a representative on this Union and should be asked to contribute a moiety for the inspection charges by Unions.

3. It is not desirable that Primary societies should be burdened with levies of charges both by Unions and Central Banks almost for the same purpose.

4. Those primary societies which are not affiliated to any Unions and which borrow from the Central Banks should certainly be asked to contribute towards the inspection charges by the Bank if they want loans.

3. Mr. V. C. Jadav :—That a thorough inspection of the working of all the credit societies has to be undertaken, cannot be denied. The question is how it can best be done, and how are the expenses to be met with.

The sanctioning of loans to societies by District Banks is at present being done by the Directors from facts on paper without any actual personal knowledge of the societies. They have no personal knowledge about how the loans are given by the borrowing societies, whether they are given for proper objects, are used for the objects for which the loans are asked, what possibilities for repayment are existing and how much the persons who have borrowed are generally indebted. By the arrangement proposed below there will be at least one Director who will be able to place before the Managing Committee his personal knowledge about the status of the members of the society and the personnel of the Managing Committee of the societies. The Directors of the District Bank will be able to take good interest in the development of the societies; and they will also be able to place the non-credit side of the movement before the members of societies and induce them to develop that line.

All the societies affiliated to the District Bank should be grouped according to their geographical position, into as many groups as there are Directors of the Bank who are prepared to undertake the work of inspection. Each Director should as a rule, inspect once in a year all the societies placed in his charge. Whenever the Inspector of the Bank goes to inspect a society he should always request the Director in whose jurisdiction the society is placed, to accompany him. Generally Saturdays and Sundays must be days reserved for inspection, so that it can be convenient for Directors to accompany the Inspectors. The Honorary-Organizer should also be requested to go along with them if possible. When the Inspector has inspected a society unaccompanied by the Director concerned, he should always place his report before that Director. He should also place the report before the Honorary-Organizer concerned. So far as possible, an Inspector should not go alone but he should invariably be accompanied either by the Director or the Honorary Organizer.

The next question is, how is the cost of inspection of the societies to be met with.

A separate account should be kept of the salary and allowances to be paid to the Inspectors and also of the actual travelling expenses incurred by the Directors. Quarter of the total expenses should be paid by the District Bank; quarter of the total expenses should be paid by the Provincial Bank and Government and half of the total expenses should be borne by the societies in the District on a scale based on the amounts of loans and cash credits granted to the society.

Those societies that desire to arrange loans or cash credits with the District Bank, should inform the Bank in time to enable them to arrange for their inspection.

4. Mr L. K. Bhagwat:—One of the most important functions of District Banks is the occasional inspection of their affiliated Societies with a view to remedying defects and suggesting improvements, as the very success or failure of these Banks largely depends upon the efficient management and solvency of those Societies. The funds of these Dist-

RICT Banks lie scattered over the whole of the area of their operation in loans made to those Societies and, unless District Banks keep a close and vigilant watch over their affairs and guide the new Societies properly, there is a danger of the accumulation of heavy arrears and of the Banks ultimately coming into trouble. Apart from the ordinary inspection of accounts of affiliated Societies, these Banks are therefore responsible for the accurate assessment of their credit and to see that loans are properly granted, that the securities are adequate, that proper use is being made of the loans, that the repayments are regular, that all the defaulters are suitably dealt with, that the Managing Committees are watchful and enthusiastic, that there have been no fraudulent transactions or breaches of Bye-laws in the Societies, and so on. Such a searching inspection is only possible if the Banks employ well-paid inspectors having the requisite aptitude for the work. The existing arrangements of many of the Banks in this respect are scarcely adequate with the result that the inspection is not usually as thorough as it ought to be. With the present expansion of the business of these Banks and the growth of their affiliated Societies the need of an increased inspection is perhaps the greater and Central Banks had better rise to the occasion and effect an immediate improvement in their present system of inspection.

The chief difficulty in the way of these Banks in this respect is, that their sources of income are so limited that even with the most economic management they find it extremely difficult to make both ends meet. With the high rates of interest they have to allow on deposits as a result of the present stringency of the money market and without a corresponding enhancement in the rate of interest on loans charged to the Societies, these Banks have generally to work on a very narrow margin of profit. If these Banks are therefore asked to accept a further financial burden in the matter of improving their system of inspection, it will inevitably result in the necessity of either raising their rate of interest on loans to Societies or in a further reduction in the already low rates of the dividend on their shares.

Both these eventualities are out of consideration. An enhancement in the rate of interest will be detrimental to the interests of the Societies and their members, while the reduction in the rate of dividend will considerably hamper the work of the collection of share capital which the District Banks already find so difficult. Under the circumstances, the only best solution of the difficulty is to levy a small inspection charge from all affiliated Societies which, without taxing the Societies heavily, will enable the District Banks to make adequate provision for inspection. This charge should not however be levied in proportion to the borrowings of Societies as that procedure will create complications. Inspection is required for every Society whether it receives a loan or not. The most equitable procedure would thus be to levy the charge in proportion to the total working capital of Societies on 31st March.

I. 2 (i) (b) Proportion between owned Capital and Liability in Central Banks.

1. Mr. L. K. Bhagwat:—The restriction imposed by rule 10 of the Bombay Co-operative Societies' Rules, 1918, that "No Society with limited liability shall incur total liabilities exceeding 8 times the total of its paid up Share Capital and its accumulated Reserve Fund," is apparently based on the recommendation made by the Committee on Co-operation in Para 138 of their Report. In practice, however, this restriction is found to arrest the progress of District Banks, which, within the meaning of the Act, are Societies with limited liabilities, and has the adverse effect of stunting their growth. In fact, these Banks generally find little difficulty in tapping local capital by securing substantial deposits but are not equally fortunate in the collection of the requisite Share Capital. The reasons are obvious. The shares of District Co-operative Banks, like those of Joint Stock Banks, are not quoted in the market and the investor, instead of having his money locked up indefinitely in shares and depending upon the business and management of the Bank for the rate of dividend which again is not tempting, naturally prefers to invest his money as a deposit for a fixed period bearing a definite rate of interest, thereby securing the certainty of having his money back on the expiry of the stated period and eliminating the element of chance in the rate of dividend. Again the ordinary

public, not conversant with banking, much less with co-operative banking, are as a result of the past banking crisis usually found to be nervous of becoming share-holders of an institution bearing the name 'Bank.' The District Banks are thus greatly handicapped and even with the provision in their Bye-laws about the contribution of shares by affiliated Societies in proportion to their borrowings, the share capital of these Banks is scarcely found to keep proportionate pace with their working capital. The result is that whenever the share capital falls short, the District Banks have at times to refuse deposits in order to keep themselves within the prescribed 8 times limit even if they are in need of funds for financing Societies within their jurisdiction. This is certainly detrimental to the best interests of the movement in general and the Societies in particular. Again if District Banks are to be living realities they ought to be able to finance promptly and adequately all the Societies existing within the area of their operation. As at present the burden of financing Societies within the union area even in the jurisdiction of Central Banks mostly falls on the Provincial Bank owing to the inability of the former to grant large cash credits to those Unions. In order, therefore, to strengthen the financial position of District Banks by enlarging their borrowing capacity and thus to enable them to undertake as far as possible the finance of all Societies within their jurisdiction including those in the Union area, it is imperative that the restriction imposed on their total liabilities be relaxed by raising the maximum limit of their borrowing from 8 times to 12 times the paid up share capital and Reserve Fund.

The restriction on borrowings originally recommended by the Committee on co-operation was avowedly in the interest of depositors. The proposed relaxation of that restriction need not however be considered prejudicial to that interest in any way, inasmuch as the District Banks are prevented by law from investing their funds in any hazardous speculation but are bound (with perhaps a few exceptions that lend out to individuals as well) to utilise them in granting loans to only the affiliated Societies. These are mostly agricultural Societies and the unlimited liability accepted by their members will be an ample indirect security for the depositors.

2. Mr. V. L. Mehta:—Under the Co-operative Societies' Rules a society with limited liability can incur borrowings only upto the extent of eight times its paid up share capital and reserve fund. The Co-operative Societies Act places no direct restrictions on borrowings, but leaves to the rules and by-laws to regulate these. No restrictions were actually in operation until the rules were revised in 1918. The absence of any provision in this respect was due in the first place to the undeveloped state of the system of co-operative banking in this Presidency and the consequent lack of any data for formulation of any principles. Secondly, it must be admitted that the question was not examined from the strict financial point of view. Such an investigation was carried out by the Committee on Co-operation whose report was published in 1915. This Committee examined the matter from all aspects, the standpoint of financial safety, the standpoint of banking experience and practice, and the standpoint of the requirements of the movement. Its finding was that the proportion of eight to one between the borrowed and the owned capital should be the maximum permitted in central banks. Almost all Local Governments supported by the opinion of non-official co-operators, concurred in this recommendation. In this Presidency, it was accepted as the policy of the movement and was embodied in a rule which is binding on all classes of societies based on limited liability.

Like all rules of general application this restriction does operate as a hardship in some central banks. Experience shows that with the exception of some individuals whose sympathies are enlisted at the outset, very few fresh individual members are attracted, firstly because they do not expect any considerable return for the liability they assume and secondly because membership confers on them no benefit in the shape of ability to borrow. Affiliated societies which are dependent on the central banks for financing their members have generally not built up resources substantial enough to contribute handsomely to the share capital. On the other hand, deposits flow in freely, and when they are insufficient, loans have to be taken from the Provincial Bank to meet the requirements of affiliated societies. At the time of foundation, no care was taken to give the banks an area which on the minimum share capital they could raise they would finance without difficulty. Almost in every district there are societies which cannot be financed out of the resources available

at the disposal of the local central bank, and therefore there is a general demand that the limitation imposed by the rules should be withdrawn or at any rate modified so as to increase the proportion from 8 to 12.

In the law governing commercial joint stock banks there is no such limitation in operation. But the examination of their statistics shows that the proportion of outside liabilities to shares and reserves varies between 10 to 1 and 15 to 1. In sound well established banks the proportion is often lower. But joint stock banks possess several advantages over co-operative banks. In the first place most Commercial Banks have a directorate composed of business men—persons who have spent all their life in trade and finance, and who are acquainted with the tendency of the money market. Co-operative banks have a directorate composed as a rule largely of amateurs in finance—persons who are not conversant with the trend of finance and trade. Secondly commercial banks have a manager trained in banking and in close touch with the commercial world. Co-operative banks employ generally a much less qualified class of men as managers. The advances of joint stock banks are sometimes repayable at call, they are often fixed for short periods and are invariably turned over frequently and are made on such security and for such purposes that they are easily realizable. Co-operative central banks have their loans fully repaid on an average in three years' time, in annual instalments. Though the security is good, the loans are not easily recoverable and the occurrence of agrarian distress upsets the entire basis of their finances. Often the advances of joint stock banks and commercial banks, are against securities which can be pledged or discounted with ease. No arrangements exist for the rediscount of the paper of co-operative banks and moreover, the form of security is not always negotiable. The bills of commercial banks are always available for raising fresh borrowings. No such power is enjoyed by the central banks. Finally, commercial banks do not lock up the whole or even a major portion of their capital in investments with their customers. They hold large issues of Government paper and other gilt edged securities apart from holdings in cash and current accounts, and fixed deposits. Central banks in the Presidency do not possess, with a few exceptions, any holdings in Government and other authorised securities. Latterly, some have begun to accumulate fixed deposits in the Provincial Bank. But this tendency has not become general, and as a rule it may safely be asserted that we have not achieved that state of equipoise when the outside liabilities are adequately covered by easily realizable or negotiable investments and when even in years of scarcity or distress during which the springs of recovery dry up, liabilities can be met without difficulty. Adequate provision in regard to fluid resource involves considerable sacrifice of profit. It necessitates the locking up of large portions of our resources outside the movement. Provision to a certain extent has to be insisted upon in central banks, but beyond that it may neither be desirable nor possible to go. Hence the need for a workable rule for the caution like the one limiting liability to eight times the owned capital. This proportion is equal to that observed in the best of commercial banks. It is not much lower than the prevailing average as seen from the statistics of joint stock banks. Expert enquiry has arrived at this standard after scrutiny of the position in various provinces and this opinion has found general acceptance. Insistence on the standard may cause some inconvenience in individual cases but in banking safety should be a consideration next in importance to none other.

1. 2 (i) (c) Cheques and Bills of Exchange business without depending on R. T. R's.

Mr. V. C. Jadav:—The District Banks and Urban Banks must develop exchange-business, to such an extent that they should be free from any dependence on the R. T. R's. In all District and Taluka Towns where there are District or Urban Banks it is always possible to sell and buy demand drafts on Bombay, at a good margin of profit and if the Managers of the Banks, remain in touch with the Inland Exchange business it will not be necessary to require any R. T. R's. They should generally be able to sell their drafts on Bombay at a little premium and to buy cheques and hundies on Bombay at a little discount, thus scoring a profit on the transaction. At places where the exchange rates go much below or above par, and even touch the Specie-point, it will be possible to keep a margin of 1/16 between buying and selling drafts. Should the business in any locality be only one sided i. e. where only drafts on Bombay can be sold but no hundies on Bombay are for sale or where plenty of hundies on Bombay are for sale but there are no purchasers of drafts on Bombay, an arrangement can always be made by sending surplus balance to Bombay, in

currency notes, or by filling up the depleted balances from currency notes, received from Bombay. This line of Banking business is very interesting; it enables the Banks to maintain good fluid resources, makes the Bank well known and enables it to make a profit, and I am strongly of opinion that earnest efforts should be made to develop this side of the banking line.

At places where there are branches of the Imperial Bank, it will always be possible by each District or Urban Bank, to come to a workable arrangement for buying and selling cheques on Bombay from or to the Imperial Bank. That Bank generally does not deal with small parties. It can only discount cheques or hundies of parties who have the reputation of possessing about Rs. 2 lacs of estate. Under the circumstances, it will always be possible for Co-operative Banks to work as an intermediary between the Imperial Bank, and smaller parties who cannot deal with that Bank direct.

In all District towns, where there are Branches of the Imperial Bank of India, concessions should be had from the latter to purchase to a certain extent drafts drawn by the District Central Co-operative Banks on Bombay Provincial Bank at par.

In those District or Taluka towns, where there are no branches of the Imperial Bank and where the surplus Government treasuries have to be sent by Railway under escort, it will be profitable both to Government and the District Bank or its Taluka Branch to come to some understanding regarding transmission of Government funds.

1. 2 (ii) (a) Supervising Unions

1. Mr. V. C. Jadav:—Every group of 5 or 10 societies situated within a small distance from each other should be grouped together, and should form a union for the purposes of supervision. Any three persons elected out of the members of the Managing Committee of all the societies thus grouped together, should form a supervising union. The persons elected must possess some educational qualifications, must be well acquainted with the principles of co-operation, must understand accounts and possess good business acumen. In cases where these persons possessing the necessary qualifications, cannot be found a director of the District Bank or an Hon. Organizer should be nominated by the Asstt. Registrar to co-operate with the elected members of Supervising Union until they are properly trained up.

It should be the duty of the Supervising Union to look into the loans granted by the Managing Committee, to see the purposes for which the loans are used, to see that accounts are properly kept from time to time and to see whether the non-credit side of the business, i.e. purchase and sale of articles can be developed on Co-operative lines.

2. Mr. P. K. Jambhekar:—The Committee on Co-operation in India have recommended in para 98 of their report that supervision of the societies should be entrusted to the societies themselves or to the Co-operative Institutions themselves and should not devolve on the Government as audit of the societies does.

2. This supervision, which is known as the external supervision as distinguished from internal supervision of the societies, is carried on in different ways in different provinces. In some provinces the Central Banks or District Banks which finance the societies affiliated to them appoint supervisors of their own to supervise the societies. In Central Provinces, Behar and Orissa federations of societies are formed for purposes of audit and supervision. In Burma, groups of local unions engage a travelling Inspector to supervise the societies.

3. In Germany, in the Raiffeisen system, the societies have linked themselves into groups or unions for mutual support and supervision. In the Schulze-Delitzsch system also the societies are linked together in groups or unions for strengthening one another's operations, by joining in guarantees for loans, by discounting bills, lending surplus funds etc.

4. In Italy, the societies federate themselves into groups each of which engages an inspector for the audit and supervision of the societies affiliated to the group. The

inspector also advises as to the requirements of each bank. Each group guarantees in the second instance the debentures issued by the individual banks with the countersignature of the group President. Every bank is supervised and its financial condition is carefully looked into.

5. As the societies grow in number, it is not possible for the Central or District Financing Agencies to undertake fully the supervision of the societies affiliated to them, nor is it desirable for Government to assume all the functions for the societies, which are included in the word supervision. It is therefore highly desirable and necessary that some agency should be interposed between the financing agency and the Primary society for purposes of supervision and advice.

6. The agency which will be the most suitable one for undertaking this supervision of societies is the supervising union on the Madras model without an element of guarantee in it or the Guaranteeing union after the Burma model.

7. The question which of the two above-mentioned models be established in the Bombay Presidency or whether both should be established simultaneously is difficult of easy solution and requires careful handling.

8. In the last Conference of 1921, the question of unions was placed for discussion, and it was then resolved, so far as I remember, that the unions should be of the Guaranteeing Union type and that the guarantee should be indirect one.

9. The Committee on Co-operation in India, which made a prolonged tour of inspection and enquiry over the whole length and breadth of India and which consisted of persons of very wide experience and eminent reputation, have recommended after a careful consideration of the matter that the unions should be established in all provinces for the purpose of mutual supervision and for the assessment of credit, and recovery of loans, and that unless experience elsewhere should belie the results obtained in Burma, it would be in their opinion a great accession of strength to the movement if these unions undertake some kind of guarantee after the Burma model. They further state, vide page 65 of their report, that it is not indeed necessary that the guarantee should in every case entail a complete liability and it is possible to arrange that the union should guarantee one-half or some other fraction, especially in cases when it is dealing with a bank of a class which must undertake responsibility for the assessment of credit. But a guaranteeing union of some kind is in their opinion, advisable where the financing agency is a Central Bank and essential in cases where a Bank, dealing with the whole province, attempts to deal with societies without the intervention of a Central Bank.

10. Those that now want to establish the supervising unions in supersession of the Guaranteeing unions incur a heavy responsibility of proving beyond doubt that the latter have failed entirely and that they are not susceptible of any improvement even by some amendments in their constitution.

11. My humble suggestion and opinion, if worth anything, is that the model bye-laws of the guaranteeing unions be improved upon by introducing in them some prominent features of the model bye-laws of the supervising unions which have been recently circulated for opinion to the Institute and its branches, and that the regime of the guaranteeing unions so revised should be continued.

12. If this not be possible and feasible, then both should be separately established in alternate districts, both should be given a fair, complete and prolonged trial and then the results of the trial be placed before a future Provincial Conference for full and open discussion and action taken accordingly.

3. **Mr. V. L. Mehta.**—Supervising and Guaranteeing Unions:—Almost all provinces in India have some central co-operative society covering a unit very much smaller than the revenue district for supervision and assessment of credit. In Burma, they have an admirable system of guaranteeing unions for rural areas. In Madras, there is a similar network of Supervising Unions. In the Central Provinces, they have guaranteeing unions to

control, is as objectionable in principle as it is difficult to enforce in practice. There should be fairly close and continuous supervision and also clear enunciation of principles which must be strictly adhered to. Beyond this, it is not desirable to go, and there is no meaning in creating a local agency if it is to be unduly dependent for its good management and development on detailed control from financing agencies.

Finally, it is necessary to examine if the improvements in constitution and direction of policy, about which almost all of us are agreed, cannot be introduced without changing the entire frame work of the existing guaranteeing union system, or whether it is necessary and desirable to create a new type of organisation by omitting the guaranteeing powers of unions and developing them as purely supervising agencies.

The idea underlying the guaranteeing sections of the by-laws was to attach some responsibility to the recommendation of the unions to the financing agencies, to add weight to their assessment of the creditworthiness of their constituent societies, and to invest their supervisory work with some importance. To quote Mr. Ewbank, again, (Page 50, Indian Cooperative Studies) "Finance and supervision are closely interdependent. No financing agency could work satisfactorily without some means of appraising the credit of borrowing societies and of judging the quality of their management. On the other hand, mere supervision and advice unweighted by any definite responsibility for its results, is likely to prove formal and futile. Any policy that divorces finance and supervision and entrusts them to distinct and unconnected agencies would, therefore, be likely to come to grief." The same point is emphasised in the opening paragraph of the Leaflet W (2) prepared by Mr. Rothfeld, in the following words: "It is hoped that the responsibility incurred by each member of each society within a union for all the members of all the other societies under it, though under definite limitations will add keenness to the supervision of the union's officers and weight to their advice and warnings." Further, it has to be noted that the consolidated liability that each society assumes is not based on arbitrary figures or regulated so as to increase the borrowing powers. As Mr. Ewbank observes, (Page 56 Indian Cooperative Studies) "The liability is not a divided one, distributed over all the members, but is a lump liability calculated on a rough mechanical scale and attaches to a society as a whole. The extent of the liability accepted varies according to the needs, property and occupations of its members as verified by the Registrar." These extracts and the arguments based on them, serve to show the need for backing up by a guarantee the work of supervision and assessment of credit undertaken by unions. It is further necessary to add that the last Provincial Co-operative Conference too was of the opinion that the form of guarantee should remain as at present. The moral effect of the liability is considerable and should not be lost, even if its material value is discounted by the absence of a guarantee fund. If at all it is necessary, some guarantee fund may be created, or as an alternative the sections of the bye-laws which authorize borrowing upto six times or twelve times the liability undertaken may be dropped in new unions. The assessment of credit of the societies will then be based on their creditworthiness as judged by various factors, and the privilege of a lump credit will be made available only to the best among unions. This will necessarily involve increased supervision by financing agencies.

In view of the financial safeguards of the present system it will be of doubtful advantage to create a new agency which does not provide these safeguards. Central banks may very well refuse to extend to them the same credit facilities which they grant to guaranteeing unions. We shall have then to accept the position that the facility of obtaining prompt and adequate finance will no longer serve as an inducement to the starting of unions and that some pressure may have to be used in getting societies to federate into unions. It is for co-operators to decide whether it is necessary to take this step or whether the end we have in view cannot be achieved by introducing improvements in the existing system of guaranteeing unions and by developing our machinery for supervision and financial control.

I. 3 (a) Well managed Credit Societies should be allowed to undertake functions other than credit in a manner that does not involve any liability on the Society

Mr. L. K. Bhagwat:—One of the principal objects with which the Co-operative movement has been launched into this country, is the spread of thrift and self-help among

agriculturists with a view to promoting their economic interests. According to Mr. Calvert, the only two ways by which the wealth of a people can be increased, are to increase production and decrease consumption. The existing agricultural credit societies, which form the bulk of Co-operative institutions and are composed mainly of agriculturists, have no doubt gone a great way in providing to their members cheap and easy financial facilities, but besides this they have not so far been able to materially help the members in increasing their production and decreasing consumption, which are so essential for the promotion of their economic interests. The reason is self-evident. Under their Bye-laws these Societies are prohibited from doing anything but the credit business, separate organisations for carrying on the business other than credit being provided under the law. Owing perhaps to the dearth of suitable workers and the want of adequate financial facilities these organisations have not yet been so successful as their utility and importance demand. An attempt has recently been made to extend the facility of non-credit business to group Societies through their unions, but a time has now come when even isolated individual credit Societies of established credit and repute be allowed to undertake functions other than credit for the benefit of their members, of course in a manner that does not involve any liability on the Societies.

This introduction of non-credit business in the agricultural credit Societies will be of immense advantage to their members. The agriculturists have to spend a lot of money every year on the purchase of their agricultural requirements such as implements, seeds, manure etc. Naturally lacking in business capacity, they have usually to depend upon local dealers for these requirements and have generally to accept goods, which are not always pure or unadulterated. They have also to lose considerably in rates and weights which are not invariably correct. If, therefore, the agricultural credit Societies which have to loan out every year large amounts to their members for these requirements, instead of paying cash to members for these purposes and leaving them to manage their own affairs individually, consolidate the needs of all members and carry on a wholesale business on their behalf, it will certainly be a further step in the promotion of their economic interest and also in the matter of self-help. By means of this wholesale dealing, the Societies will be enabled to secure for their members pure and unadulterated materials at a much cheaper rate and by immediate distribution of the same according to the original demands, will avoid all financial liabilities. In the matter of implements, these Societies should try to supply the members with improved patterns by impressing upon them their advantage in the matter of increased production. In this way these Societies, if permitted to carry on non-credit business along with credit, will be instrumental in increasing the production of their members by the supply of pure seeds and manure and improved patterns of agricultural implements and in decreasing consumption, by providing their requirements at cheaper rates. This payment in kind is also advantageous to the Societies themselves inasmuch as it enables them to watch that their loans are properly utilised.

1. 3 (b) Note on Organisation and financing of Agricultural Sale Societies

Mr. R. N. Mehta :—The material advantages of Co-operative Sale of Agricultural produce apart from its moral and educational advantages can be summed up in the following four points :—

- (1) Better prices by sale on wholesale system and at the proper time.
- (2) Provision for securing of good seeds uniformly even after famine years due to storage.
- (3) Encouragement of thrift by discouraging improvidence among villagers by timely and gradual sales of produce and by introduction of banking habit in the people.
- (4) Recoveries of dues become easier and more regular.

The above objects can be achieved only if the produce is stored, and for storage on Cooperative lines of Agricultural produce adequate finance should be guaranteed. The following methods for facilitating the above business are suggested :—

"A" Agricultural Co-operative Societies:—

Financing of Agricultural sale through Co-operative Credit Societies is not advisable for the following reasons:—

- (1) Individual borrowing limits shall have to be increased and may be abused.
- (2) Villages lack in storage facilities and are backward in the knowledge of the methods of storage.
- (3) Villages are not likely to possess the advantage of a Central market and consequent favourable prices.
- (4) Supervision of sales will be difficult.
- (5) Knowledge of the Central market can at the best be meagre.

"B" Sale Societies :—

Agricultural Cooperative Sale is not likely to make much progress through Sale Societies as the Share Capital possessed by them being limited they are unable to raise a sufficient amount of funds, and the Central Banks cannot be advised to give large credits to these Societies because of the limited liability.

"C" Central Sale Unions :—

Central Sale Unions at convenient trade centres on the following lines can be organized and to my mind they will work successfully :—

- (1) A proper site, possessing the necessary advantages of situation can be selected for its operations; this should be, not only the trade centre but also a centre of a group of societies.
- (2) The membership of the Union should be limited only to Co-operative Societies.
- (3) The Share Capital of the Union may be nominal and a large part of it may be uncalled capital.
- (4) Financing of such Unions should be arranged by advances against the security of assets of the Agricultural resource societies desiring to take advantage of the system. If in a certain tract members of 20 credit societies desire to take advantage of joint sale and decide to get financial help from the financing Agency, the societies shall have to submit a statement to the Bank through the store on the following lines :—

Name of Society	No. of Members	Value of assets	Outside Capital	Amount guaranteed by the Society to the Sale Unions
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The financing Bank will open only one Credit Account in the name of the Union which shall be adjusted yearly. The Societies severally shall have to sign Pro-Notes in favour of the financing Bank for the amounts allotted to them.

To enable the members of Societies to enjoy the full benefits of the movement it ought to be made self-sufficing in the matter of production and distribution. The advantages of better prices and punctual recoveries of dues are sufficiently important to warrant an immediate introduction of the sale unions as sketched above.

II (a) Co-operative Consolidation of Holdings

Mr. Otto Rothfeld:—I. In France, as in India, the increase in fragmented small holdings has been a serious drawback to agricultural progress. I find the Tenth National Congress of Agricultural Co-operation held in June 1922 describing fragmentation as a

"redoubtable plague of French agriculture which it is necessary for every one to combine to fight with the utmost energy." Actual figures for France show that fragmentation has progressed as far as in this Presidency, especially in the East of France, where fragmented fields sometimes measure only a few yards. What is interesting to notice is that the evil is by no means new in that country. Complaints of excessive fragmentation were made as early as the 16th century. In the middle of the 18th century the well-known writer Arthur Young and a Scotsman called Pattulo who was a friend of Madame de Pompadour, both expressed their surprise at the excessive sub-division of land in France and in striking pictures represented the consequent impoverishment of the soil and the misery of the peasants. It is only, however, since 1900 that the full importance of the subject was understood and reacted to by any considerable number of public men. The subject had of course become increasingly important as agricultural technique was improving and as intensive agriculture was being substituted for older methods.

2. The first step taken in France to remedy fragmentation was to encourage the voluntary exchange of pieces of land among neighbours. From 1790 onwards upto 1905 various laws were passed endeavouring to encourage such exchanges by reducing the duties for registration and stamping. By a law of the 27th November 1918 such exchanges have finally been freed from all stamps or registration duties. This at least is a step which could easily be introduced in this country. It must, however, be remarked that such voluntary exchanges in France have been very few and that their total number is not sufficient really to touch the question. Even in France it is stated that "any one who knows the soul of the peasant will realize that the cultivator can hardly ever decide to make such exchanges. He is always afraid of being placed at a disadvantage or being cheated".

3. Modern French opinion is, therefore, unanimous that although exchanges should be encouraged, yet, the only real remedy is by consolidation. The definition of consolidation which has been accepted by the legislature in France is the following. "Consolidation is a method of dealing with agricultural land by which a number of fragmented properties temporarily pooled together are reconstituted in such a way as to form continuous holdings, each of them having separate means of approach and each composed of fields of a quality approximately equal to those formerly held by the parties and containing a superficial area proportionate to the total area of the fragmented fields contributed by each of them to the total. It is in fact an operation analogous to that of the reduction of fractions in mathematics." Consolidation itself is not a new thing. It was started in Suabia as early as 1540. Various methods of consolidation were also tried in Switzerland at the end of the 16th century and in Scotland and in Sweden in the 17th century. In Germany, especially since 1874, consolidation has been carried out on a very large scale. In Alsace, for instance, there are at the present moment 137 such operations going on covering more than 60,000 acres and more than 35,000 cultivators. In Alsace the main object of such operations is always to ensure that every field shall have its own means of approach and roads. The survey maps are reconstituted at the same time as consolidation is completed.

4. Until 1918 what legislation there was in France was vitiated by the fact that consolidation could be undertaken only by what were known as "free associations"; that is, by associations formed by persons who all of them agreed to the exchanges. In practice it was found very difficult, if not impossible, to obtain this unanimous agreement. In other countries, however, it had early been realized that consolidation was impossible unless power was given to the majority to coerce the minority. Thus in Germany a simple majority, calculated either on the basis of the acreage owned and the value of the land or on a basis of combining the number of holders with the size of their holdings, has been sufficient to coerce the minority. Majority votes were required both to agree to having consolidation and to accept the consolidation as afterwards worked out. In Alsace also majority votes were twice required, first, to accept the principle of consolidation and again to approve the final scheme of consolidation proposed by the officials who worked out the scheme. In Alsace the Association requires the authority of the Prefect alone if it is formed only to create new communications, but it requires the authority of the Minister if it is also intended to consolidate fragmented holdings. In that province the Agricultural Department directs all field operations and the Revenue Department collects the rateable parts of the expenses levied upon all members of the association. In fact in most countries except France the characteristics of the legislation enforced are:—

- (1). Authority is reserved to the official administration in these matters, and
- (2). The power of coercion is given to the majority over the minority.

5. In France the questions are now dealt with by two laws. One known as the Chauvean law was passed on the 27th November 1918 for consolidation and the other on the 4th March 1919 for the remeasurement and consolidation of estates in the areas devastated by the war. The former law applies everywhere in France, the second applies only to the devastated regions. The following is an analysis of the main provisions of the Chauvean law.

(1) The law accepts the principle that the majority must have the power to corce the minority.

(2) All consolidation schemes are treated as urgent works for which an order of the Prefect is a sufficient authorization. This order of the Prefect is sufficient to unite as in an Association all occupants whose holdings will be affected and the order may issue whether on the demand of one or more of such occupants or on the mere motion of the Mayor ("Patel") or of the Prefect. The law also provides that, when notice has been given, if any occupant does not at once express his decision in writing or fails to attend the first general meeting he will be considered as having agreed to the consolidation.

(3) The law provides that, if any of the occupants does not agree to the general scheme of consolidation, he is allowed to resign his holding in exchange for compensation to be paid by the Association as a whole. This provision was opposed to by some persons at the time the law was passed from the fear that it might cause cultivators to leave the villages and go to the towns. As a matter of fact this never happened. Consolidation invariably increases the value of each field and hence the cultivator is not likely to abandon his right for the sake of any compensation calculated on its previous value.

(4) The law provides in all other cases for an exchange in land. In exceptional cases money compensation may be given in addition:—(a) if it is impossible to provide exactly equivalent fields or (b) if the owner has had to give up more or less temporary surplus values such as drainage, trees or manure.

(5) The law provides a Committee of arbitration to decide all disputes which might arise between the members of the Association.

(6) The law provides what is very important viz. that all mortgages and similar encumbrances shall be transferred summarily without any further legal procedure from the former holdings to the new holdings.

(7) The law exempts from all stamp or registration duties any documents made in consequence of the consolidation. The actual method described for the work of consolidation is as follows:—

(a) Sufficient notice is given to allow of any complaints being made and considered. After the completion of the preliminary investigation, the Prefect calls a general meeting of all occupants of land which are likely to be affected. If the majority agree, the Prefect then authorizes further action, and the first general meeting appoints a Committee which is to be the Arbitration Committee. The Managing Committee then proceeds to class and value all the holdings occupied in the area to be consolidated. A small committee of cultivators usually makes this classification and valuation. After this is approved, the Committee with the help of trained officials draws up the consolidation scheme which is then submitted to the general meeting. If the majority accept this scheme, it is then countersigned by the Arbitration Committee. Two months after this counter-signature the actual exchange of property and the resulting transference of encumbrances is made by the Sub-Judge who presides over the Arbitration Committee. The law itself does not provide for Government bearing any share of the cost of consolidation. By executive order, however, this is actually done. The assistance of the Agricultural Engineer is placed at the disposal of any such association. An Engineer under the Agricultural Department comes to the spot and examines the scheme and the Ministry gives a grant to the Association upto one-third of the total expenditure. This is the general law that applies to the whole of France. It will be seen later, however, that the procedure prescribed by the law is considered too dilatory and that the co-operative agricultural movement in France is now making efforts to have it shortened.

The provisions of the law of the 4th March 1919 applying to the devastated regions are as follows:—

(1). The law provides for the constitution of commissions composed each of 11 members, partly official and partly non-official. Their business is to try to discover and re-establish the boundaries of holdings as they were before the war.

(2). The law provides that advantage should be taken of the circumstances of devastation to improve the formation of the holdings of cultivators.

(3). Consolidation may be taken up either on the motion of the Commission itself or on motion of any occupants of fields in the area. The proposal has to be placed before a departmental commission whose headquarters are the Prefecture, and which is composed of officials and of cultivators nominated by the local boards and cultivators, appointed by co-operative societies. The Prefect decides and issues orders for consolidation on the advice of this commission. In this law, it is provided that each occupant shall obtain land of a value approximately equal to that of the fields which he owned before the consolidation.

In the other law, it has been provided that he should obtain land of equal size and quality. Here the provision is only for equal value. The final approval of the consolidation scheme is given by majority vote. The moment it is approved, the survey maps of the village are reconstituted. The Department of Land Records actually executes the operations and carries out the decision of the committee and finds the necessary money and material for the operations. If the consolidation is done on behalf of an association or society, Government bears all the costs of the operations except the compensation to be paid to owners, who resign their holdings.

6 These then, are the two laws which at the present moment apply to all consolidation in France. In the devastated areas, the results achieved have been magnificent. In the rest of France, however, it is regrettable that the achievements have been comparatively poor. One reason has been, that the Co-operative Movement has not been as influential in the rest of France as it has been in the devastated areas. In some cases, in the devastated areas the figures are surprising. Thus for instance, in the small village of Witry there were 6262 fragments belonging to 233 owners before consolidation and only 1320 after consolidation. The number of fragments owned by each holder was brought down from 26.8 to 5.7. The coefficient of reduction was 79%. French cultivators are agreed that in order to induce cultivators to take up consolidation freely regular propaganda is required and that this propaganda must be done through the Co-operative Movement and by training in the other advantages of Co-operation. They consider that the first step should be the foundation of other Co-operative societies both for credit and for production and sale, which should serve as pioneers to the greater reform of consolidation of fragmented holdings. They desire also that the law should be so amended throughout France, that in all cases an equal exchange by value should be sufficient instead of an exchange by equal size or quality. They also desire that the procedure prescribed in the law should be simplified and quickened as much as possible. They also desire that the help of Government officials for the technical work and the help of Government finance towards the expense should always be given and that every consolidation should be accompanied by a reconstitution of the survey maps. They also desire that, in order to prevent succeeding subdivisions again producing a state as bad as that which consolidation has removed, special rules should issue for partition and in order to prevent any such further fragmentation.

7. It may be of interest to note the methods of similar legislation proposed in Holland and drafted for the Dutch legislature. I am not certain whether this legislation was actually carried out but the full draft was, published in the Bulletin of the International Institute of Agriculture in 1911. In Holland also, it was found that reliance on a voluntary exchange of lands, even if exempted from taxation, was practically useless. The Committee of Agriculture in Holland asserted that it would not be possible to obtain good results until compulsory exchange was instituted. The draft law, as in France, starts with the idea of the consolidation of all the lands involved according to an established project and their new redivision with, if it be necessary, the changing of the means of communication and of irrigation canals or their new construction, all of which must be done with the object of

furthering agriculture. The technical direction is confided to a Central Commission which must exercise all its duties on the spot where the exchange of land is necessary. In Holland, the initiative and the decision remain with the interested persons. Nothing can be undertaken without their consent. This constitutes an important distinction from French legislation which empowers the Prefect or the Mayor on their own motion to initiate a project. Even in Holland, however, the commune as a whole is allowed to take the initiative if the interested parties do not do so. The decision is left with the majority. If the idea is accepted, then in the first place a plan is made of all the holdings belonging to the persons taking part in the exchange. The holdings are next valued. The Register of values is divided into two parts. In the first part the value of each fragment is inscribed and in the second part the total value of the holding belonging to each proprietor. In forming the new scheme of holdings the first work undertaken is that of levelling the ground for future roads and irrigation canals. Calculations are afterwards made to establish the amount of land necessary for communications, irrigation canals and common properties such as quarries, sand or gravel pits, threshing floors, cemeteries, play-grounds and so on. The total of waste land for this purpose is deducted from the whole. Then from the quantity belonging to each proprietor is deducted a proportion of waste land proportionate to his share in the whole lands. What then remains is the quantity which he has to obtain in the new exchange. In the project for the new division of lands, the following points are considered.

- (1) Compensation must be given in land and only in exceptional cases in money.
- (2) The exchange should be such that no radical change in the methods of cultivation already existing should come to pass.

After the new scheme is approved, the exchange is at once proceeded with and the construction of new roads, new canals, and so on is at once begun. Mortgages already existing, are exempt from stamp duty and registration fee and Government pays for the Government servants who have assisted in making the exchanges. In cases where the expense falling upon parties exceeds a certain limit the Government also pays for the excess. It is noticeable that in Holland if all the parties interested do not agree then the land of the minority must be acquired under the Acquisition Act. They then receive compensation for the lands so acquired either in land or in money. This is felt to be a serious disadvantage.

In Holland the following kinds of properties are exempted from such schemes:—

- (a) Buildings and their sites.
- (b) Enclosures, gardens together with buildings intended for habitation.
- (c) Parks.
- (d) Orchards, woods, kitchen gardens and so on, and
- (e) lands intended or used for purposes other than agriculture or fishing.

These may, however, be included if the owner agrees. Great care has under the law to be taken that each of the new lots shall touch at least one road or one water-course. The exchange of land is made for land of equal value and not necessarily, as by the French law of 1918, for land of equal area. If, however, land of exactly equal value cannot be found money compensation can be given upto an extent of 5% of the total land. It is noteworthy that in Holland once a general scheme of consolidation has been agreed to, then the detailed scheme drawn up cannot be rejected except by a majority of 5/6 ths of the occupants whose lands together must be greater than half the area of those involved. The services of the land surveyor drawing up a plan are gratuitous and all the expenses of the Central Commission are borne by Government. The rest of the expenditure is advanced by Government to be recovered from the occupants.

8. It may be noted also that in addition to such legislation for consolidation, recent laws have in France, as in Italy, allowed the constitution of small family properties for cultivators, which properties during their duration cannot be attached or sold or divided by any order of a Civil Court or otherwise. The Italian law was introduced by Luzzati, at that time Prime Minister, who is also so famous for the work he did for Co-operation. The general principles of the French and Italian laws are practically the same. The idea is that the head of the family may, by a declaration before a Magistrate or

similar official and after due notice, constitute any rural property including his house into a family property, which shall then be inalienable and exempt from attachment or seizure during his life-time or until such period as it passes to a major heir. Only a small property can, however, thus be converted into a family property. Once it is so constituted, it cannot be transferred by will. The family property continues to exist and cannot be divided so long as there are minor children, but it may be divided when all the children come of age. As long as any of the children are minors the administration of the family property on the death of the father passes to some one appointed by the head of the family. If no one is so appointed, it passes to the remaining parent, and if there is no parent living or if living, the parent has married again, the administration is decided by a family council. On a succession if there are several children or several co-heirs, the property will be assigned to the one who is able to offer payment in money equal to the value of the portions due to the others. If two or more persons make the same offer, the matter is taken before the Judge and lots are drawn to establish which shall have the preference. The heir may within two months declare his intention of maintaining the constitution of the family property and in that case the property will so continue without interruption. In Italy the fees for stamps and registration on such property are reduced to 1/4th of the ordinary rates.

II (b) Joint Cultivation Societies

Dr. H. H. Mann:—At the Provincial Co-operative Conference in 1921, a Committee, of which I was the Chairman, reported that in their opinion the only feasible way of meeting many of the difficulties, particularly in the famine districts, was by transferring the land to Co-operative Societies for joint working in some form or other. This, it was felt, would at once get rid of the evils of fragmentation of land and would also enable permanent improvements to be carried out so as to make better use in one way or another of the existing rainfall. A good deal of doubt was expressed as to the feasibility of getting cultivators to agree to any such arrangement, and as it was felt that the difficulties in the way were very great, it was decided to devote the year to experiment in one or two places.

There are obviously two ways of carrying out joint cultivation. The first is by combination of the land into one or more large holdings to be worked as large farms, the owners becoming labourers for wages on the land. A society embodying this method has been established by Mr. M. R. Godbole at Arjunsonda in the Sholapur District, and I anticipate he will report on this. I am myself identified with an experiment in which the land is leased to an unlimited Co-operative Joint Cultivation Society, but the cultivation is still done on an individual basis by the members. The part of the Society is to divide the land into suitable units for cultivation, to provide bullocks and seed, to direct the crops to be grown, and to provide the finance. The part of the members is to cultivate and to receive a share in the produce, first in their capacity as owners and then also in their capacity as cultivators. The village chosen for the cultivation is Bhambora, a village on the banks of the Bhima in the Karjat taluka of the Ahmednagar District. The advantages of this village were—(1) that there was engine and pump on the river which had been little used for irrigation owing to hopeless division of the land (2) that there was a very keen well educated and public spirited gentleman, Mr. C. R. Honap, B. A., belonging to the village, who has really devoted himself very whole heartedly to this matter during the year and (3) that owing to the famines the village credit had almost disappeared, bullocks had died, and land was passing out of cultivation.

The difficulties have been many, and some of them unexpected. The question of division of profits was perhaps the greatest, and after much discussion with the people themselves, a *batai* system of division of produce in the field or threshing floor has been adopted. Under this, in principle, (with variations in details on different classes of land):—

- (1) One third of the produce goes to the owner, as owner, subject to a deduction of 25 per cent to go to the reserve fund. The owner pays the assessment out of his share.
- (2) One third of the produce goes to the cultivator, in his capacity as cultivator, subject to deductions for repayment of advance etc.
- (3) One third of the profit goes to the Society, and is to cover cost of bullocks, seed, and interest on its investment in these and in permanent improvements. In the case of irrigated land, the cost of water is shared between the parties.

A feature of the Society is the Committee of Control, comprising two members of the Managing Committee of the Society and four outsiders nominated by the Registrar to supervise any capital outlay by the Society and generally to keep an eye on the conduct of the Society.

This is a mere sketch of the scheme now working which promises to succeed very well. I hope to give details of difficulties met, and progress made at the Conference.

II (c) Tank Societies

Mr. C. B. Huli:—Government should be requested to hand over the second-class irrigation tanks to the villagers concerned if they form a Co-operative Irrigation Tank and the amounts of repairing charges if collected by Government from the agriculturists should be given to the respective Irrigation Societies if they undertake to repair such tanks to contain sufficient quantity of water to irrigate their lands.

Instead of organising Taluka Co-operative Development Committees, Supervising Unions should be organised with provisions to develop agriculture and demonstrate implements and improved method of cultivation. The Divisional Board should advise and develop such Unions.

II (d) Cattle Insurance

Mr. Hiralal R. Thanaki:—Cattle Insurance Societies are very few and their progress is very slow. This activity of the Co-operative Movement is not very popular and the societies also have to consider much before taking risks. They have only to look to their funds. If a reinsurance central society is started at Bombay or the Government contributes a part of the liability, the burden of the societies will be lightened which is quite necessary at this stage of the progress of societies. Further to popularise the movement and to give impetus to the agriculturists to continue the insurance on cattle from year to year, a provision may be made in the Bye-Laws that a particular (say 20 per cent) percentage of the premia paid will be returned to the insurer if the assurance is continued for a full period of years i.e. from the age of 4 to 12 and this amount may be provided by the Government for some years.

II (f) Agricultural and Cooperative Propaganda through Taluka Associations

Dr. H. H. Mann:—It is obvious that any official agency can only set on foot a movement for introduction of agricultural improvements. Unless it is carried forward by the enthusiasm of the people in each corner of the country, its adoption will be exceedingly slow. Attempts to enlist local and co-operative effort in the introduction of agricultural improvements have hitherto been not very successful. A scheme has been put into practice during the last year, on the initiative of the Minister of Agriculture and Cooperation, which promises well, and which attempts to enlist in one body the efforts towards agricultural improvement through co-operation.

The taluka is nominally the unit of organisation, and the initiative must come from the area in question. The local body formed for the above purpose may consist of Co-operative Societies, Agricultural Societies, and private individuals, and must contribute to the funds at the disposal of the taluka development association in any manner settled for that particular case. Provided that the programme of work and the budget is approved by the Divisional Agricultural Board and provided that an essential part of the programme is to employ a paid agent approved (and often supplied) by the Agricultural Department, Government will subsidise such an Association to an extent equal to the annual income of the Association with a limit of Rs. 1000.

Under this scheme, such associations have been formed in the following talukas.

Sholapur District	—	Madha.
Satara District	—	Satara.
Poona District	—	Khed.
East Khandesh District	—	Pachora.
Surat District	—	Chorashi.
Dharwar District	—	Dharwar and Gadag.

Others are in course of formation in Khandesh and the Southern Maratha Country and in Sind.

Many of these Associations promise well, and they are likely to be the means of a great local extension of the Co-operative movement. They are devoting themselves to spreading of improved seed and improved implements. Some have taken in hand the organisation of Societies for co-operative embankment of land. The popularisation of methods of treatment of plant diseases, notably *jowar* smut and chilli disease have formed a feature of some of them. In the Chorashi Taluka the ambition is only to have *improved* cotton in the taluka next year, and then to organise its sale as a unit. In the Khed taluka (Poona) the organisation of a potato sale Society is one of the big things in hand, but this is surrounded by difficulties.

These are just a few indications of what is in hand and in prospect, but they suffice to indicate the lines of development and the great possibilities of the movement. It is hoped that the taluka branches of the Co-operative Institute will unite with these associations everywhere, as the local non-official development organisations.

II. (g) Organisation of Industries allied to Agriculture Sheep-breeding Societies

Mr. F. T. Nalavdi :— The necessity, advantage and usefulness of a sheep-breeding society and the aid required from the Government for such a society forms the subject of this paper as discussed below :—

1. Sheep is an animal which can be said to be as useful as a cow to human society and economically more than that in some respects. Its milk and dung are as useful as that of a cow and in addition, it supplies the great want of human society by giving wool. As a dead animal, its flesh for food, skin for manufacturing various kinds of leather goods, and hoofs and horns for manufacturing blades, buttons etc., can be used. It can therefore be shortly said that the whole body of a sheep is useful to human society when alive and dead. Its use to agriculturists especially is indispensable. The dung and urine of sheep are valued more as manure by agriculturists than those of cattle. Its fur can be woven into country blankets which are indispensable to agriculturists and their industry.

2. The breeding of sheep becomes cheap to an agriculturist inasmuch as the animal can live upon the stubble that is left by the cattle, on the grazing ground. It is therefore more advantageous to an agriculturist to breed sheep while carrying on the business of cultivation. The breeding of sheep can become successful when combined with the breeding of cattle. They can flourish where cattle breeding can thrive. The usefulness of this industry can be marked by the fact that a class of persons called shepherds, Kurbar or Dhanagar are following this industry though not at much profit.

3. It is always advantageous to breed the best animal. The present stock of sheep can be improved upon by maintaining in a herd the best type of serving sheep. Such a serving sheep can be imported from a foreign country or any part of India and made use of so as to improve the whole herd in the production of more milk and wool which is much valued at present. This industry is being encouraged by the Mysore Government. The Government is importing best kind of sheep and supplying them to agriculturists who undertake to maintain a herd of country sheep.

On this line, I wish to suggest that agriculturists, shepherds and co-operative cattle-breeding societies that undertake to maintain a certain number of sheep, should be supplied free or at a nominal price by Government the best type of a serving sheep on some system as that of the grant of a premium bull. For these among other reasons, I wish to move the following resolution for the deliberation of the Conference.

“That sheep-breeding societies be encouraged in places where cattle-breeding societies are a success and that Government be requested to give a serving sheep free or at nominal price to such of the cattle breeding societies, agriculturists and shepherds that undertake to maintain a herd of sheep for the purpose of improving the local breed.

II (G) Side Industries for Agriculturists

Mr. L. S. Potnis. In tamine tracts and in those places where holdings are uneconomical, the agriculturists do not get sufficient income from their lands and are not in a position to make both ends meet out of the agricultural produce, they get from their holdings. This state of things is seen in Poona, Satara, Sholapur, Ahmednagar, Bijapur, Ratnagiri, and Kolaba districts and the agriculturists are required to go to Bombay or Sholapur Mills as labourers or to some other industrial centres in search of labour. There is scarcely any industry to which they are accustomed and to which they can stick in their own districts. They find the industrial centres the best places to supplement their income by offering themselves to work as labourers in spite of high cost of living and the insanitary and crowded room, in which they are required to reside in these industrial centres.

If these agriculturists take to industries attached to agriculture they can stay at home and supplement their income to a large extent. The following industries can be very easily taken up by the agriculturists in their own villages.

(1) Transport by cart. (2) Buffalo keeping for dairy. (3) Cattle-breeding. (4) Goat and sheep breeding. (5) Poultry. (6) Rope-making. (7) Spinning. (8) Weaving. (9) Bidi making. (10) Manufacture of leaf dishes. (पत्रावली or इतरचे). (11) Carpentry. (12) Smithery. (13) Stone cutting. (14) Masonry. 15. Brick making. (16) Fruit preserving.

These industries will add to their production and will be a substantial source of income to them. All these can be easily taken up. Only weaving will require some skill. There is always a want of carpenters, iron smiths, stone cutters, and masons as their hereditary ones generally migrate to industrial centres and the villagers find it very difficult to get them. Patrawali making and bidi making can be undertaken even by old and decrepit persons. At Sinner in the Nasik District nearly 1200 persons are making their living out of bidi making business.

I do not think there will be much difficulty in order to induce the agriculturists to take up these industries if there be proper organization to finance them and to market their articles in case of necessity.

I therefore propose that the Taluka Agricultural Association should arrange for the organization of such industries in their respective talukas by making proper arrangements of financing and marketing through Co-operative Organisation.

II (h) Cooperative Cotton Sale Society

Mr. C. B. Hulli:—For the further development of the Cotton Sale Societies it is quite necessary that there must be a close touch between the mill-owners and the Cotton Sale Societies. Attempts are being made for the last three years to induce the Mill owners to come to the Sale Societies to bid at their auction sales but with no effect. It is therefore suggested that some means should be devised so that the mill-owners should buy cotton direct from the Cotton Sale Societies.

III (a) Appointment of a Committee of Co-operative Workers for touring through the Presidency with a view to organise small scale industries

Mr. L. S. Potnis:—There is an intense feeling at the present day all over the Presidency that something must be done for the improvement of our industries. Speeches are delivered, articles are written and proposals are made everywhere, all of which having for their object the regeneration of our industries, but no tangible results are yet visible. It is in the first instance desirable to investigate into the causes which hamper the progress of industries, before any appropriate steps are taken to ameliorate the condition of the artizans dependent on these industries.

As a rule artizans are (1) poor, (2) unorganized, (3) conservative, (4) vicious, (5) dependent on capitalists for the purchase of raw materials and the sale of finished articles. Some of the artizans who are well to do, keep small karkhanas or workshops and employ their poor brethren as labourers on daily wages or on piece-work. They exact very hard work from these workers and profit themselves at their cost. In the Kalabhuwan of Mr. Irabati of Sholapur nearly 500 labourers from Telangana are working on hand-loom and

Mr. Irabati gets the profit of their labour as a big Karkhandar. This state of things is seen in all the industries mentioned below. But even these Karkhandars are required to depend on capitalists for the supply of raw materials and the sale of finished articles. The poorer artizans are so much engrossed in debt and so much dependent on sawakars that they have been demoralized and become quite unconscious of their actual capacity to produce and get all profits for themselves. They are afraid of displeasing the sawakar, as he is likely to make a demand for the money advanced to them and as they are likely to be evicted from their houses which are generally mortgaged to him. They are also afraid of being boycotted in business and thus deprived of the chances of getting raw materials for their business and getting a market for their finished articles. In order to keep these men under his influence, the sawkar advances money and makes a contract to get finished articles at a cheaper rate. The artizans keep themselves contented with the idea, that they will get orders to manufactures from the Sawakar, in satisfaction of the advances received from him. The artizans consider themselves to be very shrewd persons not knowing how the sawakar is getting fat at their expenses and not knowing that they are mere labourers engaged on piece-work.

In order to improve the conditions of the industries and the persons engaged in the industries it is necessary to take the following steps :—

- (1) Supply of raw materials at reasonable cost where necessary.
- (2) Finding out the market for finished articles.
- (3) Establishment of a museum or museums at central places.
- (4) Grant of financial aid where necessary.
- (5) Technical advice, guidance and education.

In order to gain these objects Co-operative Organization in any of the suitable forms is the only remedy that can be suggested. Co-operative Societies for these men may be in any of the following forms :—

- (1) Credit, (2) Joint purchase and Sale of raw materials,
 - (3) Joint production and sale, or (4) Joint sale of finished articles.
- The following industries can be organised on Co-operative lines.

Metal Workers. 1. Goldsmiths. 2. Silversmiths. 3. Coppersmiths. 4. Ironsmiths
 5. Tinsmiths.
Glass. 6. Bangle makers. 7. Chimnis & glass makers.
Carpentry. 8. Wood cutters. 9. Cabinet makers. 10. Painters. 11. Ship-builders.
Ceramic. 12. Brick makers. 13. Pot-makers.
Textile. 14. Cotton weavers. 15. Silk reelers. 16. Cotton dyers. 17. Silk dyers. 18.
 Lace makers. 19. Silk weavers. 20. Wool spinners. 21. Wool makers and dyers. 22. Wool
 weavers. 23. Tailors. 24. Washermen. 25. Tape weavers. 26. Calico Printers.
Leather. 27. Tanners. 28. Shoe-makers.
Oil. 29. Oil pressers. 30. Soap makers.
Paper. 31. Paper manufacturers. 32. Printers. 33. Toy makers.
Bamboo. 34. Basket and mat makers.
Gum. 35. Gum collectors. 36. Lac manufacturers.
Fishermen. 37. Fish salters.

There are numerous classes of people in the Presidency following these industries, either as primary or secondary occupation and unless steps are taken early, they are sure to go to the wall as a result of foreign competition. But before any definite steps are taken, it is necessary to take a preliminary survey of all the Home or small scale industries in the Presidency, having for its object an investigation into the nature of existing difficulties, the number and condition of the people engaged in them, which of these are taken up as primary or secondary occupations, the nature of the existing machinery and appliances, the possibilities of introducing small plants or power machinery, the places from which raw materi-

als supplied, the places which afford a good market for the finished articles, the margin of profit earned by the workers and so on. All this information will have to be collected in printed forms to be supplied for this purpose.

The most important point in connection with this work is the need of intelligent persons to conduct the investigation. In the Bengal Presidency this work was done by the Home Industries Association with the assistance of District Officers. In this Presidency it is possible to make complete investigation through the assistance of District Officers, Co-operative and Industrial Departments, the Honorary Organisers and the members of the Bombay Central Co-operative Institute where available.

I therefore suggest that a strong and influential Committee may be appointed under the auspices of the Institute to investigate all the details mentioned above, and consider the possibilities of organizing all small scale or Home Industries on Co-operative lines, and also for having one central co-operative Home Industries Association for the Presidency.

The idea, if carried out, will not only improve the conditions of hereditary artizans, but will also be of great use to workmen, agriculturists by birth but employed in industries as labourers in big manufacturing centres and living in very insanitary and unhealthy houses owing to uneconomical nature of their holdings or owing to precarious rainfall in their Districts.

The working of the Bombay Co-operative Home Industries Association, if started should be as follows:—

1. As soon as the Association is registered and some funds collected, District or Local Committees should be organised at suitable centres. These District or local committees should be the branches of the Association. Local Committee should consist of the persons interested in the development of some industries including local District officers.
2. The next step should be the industrial survey with the assistance of district officers as regards all industries in the area for which the local committee is formed. District officers should be requested to supply the necessary information as regards such industries if there are any in their records. If necessary, forms with printed questions should be circulated and information obtained in the forms of answers.
3. Survey being completed and local committees formed, a member of the executive of the central Association or any expert on behalf of the central Association should arrange tours over all the districts for the inspection of various industries carried on in each place in company with the local committee and place order for such quantities of goods as seemed most likely to find a ready sale at the Central depot or museum and to find out the causes by which their industries were suffering.
4. The Association should then start central as well as branch museums for the exhibition of the articles manufactured, through the assistance of municipalities and local boards if possible. These museums will canvass orders through the central Association.
5. The subscriptions collected from individuals etc. should be utilized for propaganda as regards general and technical education, demonstrations, exhibitions, information bureau, monograph publications, and other purposes similar to the development of such industries.
6. The Association will secure orders and shall transmit them to the industrial concerns, raw materials having been supplied by the Association.
7. After the survey is complete a business department shall be started with a capital consisting of shares from members, donations and subscriptions and the balance that will remain after defraying the survey and museum expenses.
8. The business department :—
 - (1) Will secure orders for finished articles and shall transmit them to the district committees for transmission to the member industrial concerns.

- (2) Will supply raw materials on indent system, the price of the raw materials being deducted while making payment of the finished goods.
- (3) Will supply machines and accessories on the hire purchase system.
- (4) Will distribute bonus at pro rata of the business transacted to members and industrial concerns from the part of net profits set aside for the purpose.

9. The Association will open branches in the famine stricken areas in consultation with the district and local officers and the famine relief committee shall keep industrial people employed without taking any profit.

10. Till a separate Industrial Bank is started, the Bombay Central Co-operative Bank shall undertake to finance Co-operative Industrial concerns at the recommendations of the Association.

III (b) Appointment of a committee for selection of areas suitable for Labour Societies and the deputation of special persons to start propaganda for such societies

Mr. L. S. Potnis :—It would be seen from my paper as regards "formation of Labourers' Co-operative Societies" read before the Provincial Co-operative Conference in 1921, that there are many unregistered labour organizations even at present. Vadar gangs of Ghati labourers working in docks, Railway Yards, Engine Sheds, Hamals working in Cotton gins and presses are really unregistered temporary labour organizations working on co-operative lines. These gangs can be induced to organize themselves into labourers' co-operative Societies, if they find some advantage by getting their present temporary organization registered.

The idea is likely to be taken up if they are convinced that by Co-operative Organization there is some likelihood of (1) Increase in earnings by saving the middle man's profit or by increase in wages; (2) Constant employment; (3) Some relief or benevolent fund for the use when there is sickness, accidents or any other calamities; (4) Some un-employment fund in order to give advances for necessary expenditure when there is no employment.

The first point can be gained by taking direct contracts, and the 2nd by enlisting the sympathies of Local Boards, Municipalities, P. W. D. and such other departments. the 3rd and the 4th points can be had by adopting by-laws suitable to them. It is quite necessary to give the labourers some relief in cases of accidents or sicknesses and some advances when there is no employment.

It is very likely that there may be no contracts for a time or there may be small contracts where all the workers cannot be engaged. In such cases there are likely to be favouritism and bickerings. In order to avoid these evils the labourers' societies should keep an officer or a labour bazar, where unemployed labourers can sit and where employers of labourers can indent their requirements. Even after this if there be no employment the labourers' societies should have unemployment funds from which they may get advances in cases of necessity. These labour bazars can be seen at Thorgavan and Fulgaon, in East-Khandesh.

At present only two societies i. e. one at Mauryapur in Sind and one at Broach are actually working. Before the work of these societies is shown to the committee I do not think that there will be much use of such a committee.

The Bombay Central Co-operative Institute should first try to have some societies round about Bombay i. e. either amongst Dock labourers or Engine shed labourers or the labourers removing Kachra from the Bombay Municipality, or the labourers working in Matunga, Bhayndar or Bassein Salt pans and then appoint a committee for the selection of such areas in other places. The real difficulty in working will be known at these places and the committee can undertake the organization of more societies from the experience gained at these places. Till then I think Mr. Bole, M. L. C., and Mr. Varadkar, Honorary Organisers of Bombay with the Industrial Organiser under the Assistant Registrar C. S. Bombay should be requested to take up the work.

III (c) Financing of Producers' Societies

Mr. Otto Rothfeld :—At the present moment no arrangements exist in this Presidency for the separate financing of Producers' Societies. Small loans from Government funds can be given by the Registrar to Producers' Societies framed on a basis of unlimited liability. Except in the case of Weavers' Societies, however, all Producers' Societies are formed on a basis of limited liability. No Government loan can be given to such societies without a reference to Government and its sanction in each particular case. As a matter of fact, under the existing rules the limits to Government loans are so small and time necessarily spent in investigating the applications so large that the Government loans can be of little value to any genuine Producers' Society. Further in my opinion, I must say that I do not think that under any circumstances can loans from Government be of great use for financing the trade of Producers' Societies, though they might be of use to enable a Producers' Society to instal a factory or machinery or some similar semi-permanent operation connected with their production. For purposes of financing their trade, however, a much more fluid system of loans is required and can never be furnished by any Government loans given under an administrative system.

The Provincial Bank 2½ years ago decided not to finance Producers' Societies in general, and their decision was approved by Government. They have as a matter of fact been financing a few Producers' Societies since then under rather exceptional circumstances and in default of any other financing agency, on my recommendation in each case. That the general decision is correct, I at least cannot doubt. The methods of banking involved in the financing of industrial production are entirely different from those required for agricultural finance. To start with, it is obviously necessary not only that there should be a lien on the goods produced but also that these goods should actually be in the possession of the Bank, which means the employment of a clerk or agent to watch the goods the whole time, to authorize the removal of goods sold in the market, and to receive from day to day payments for the goods thus sold. This is a class of business for which the Provincial Bank has not at present got any staff and which will require separate accounts and separate management in that branch. Moreover, the qualities required from the management of an establishment supervising long term loans or comparatively long loans for agricultural purposes are obviously different from those required from a management that is watching margins and the rise and fall of the market from day to day, and that is issuing loans chiefly on trade bills of exchange calling up new margins and speculating in the rise or fall of markets. Further, there are other important points of co-operative principle involved which, although at the present moment they may not loom very large on the Indian horizon, are none the less of increasing importance as time goes on, and may in the end lead to a very serious clash of interests. The agricultural movement is now and, as far as we can see ahead, in the future is likely to be, in this as in other countries, an individualist movement. Cultivation will presumably always in the main be done by individual owners of agricultural land. Co-operation among them implies co-operation for definite purposes without the sinking of individual property and individual profit. Those who sympathize with the movement are, therefore, in no way required to abrogate the commonly held views of rights of property and of individual enterprise. In consequence, the agricultural Movement has obtained the adherence and guidance, and financial support of many rich and public-spirited gentlemen, who would possibly have shrunk from giving similar support to a movement of a different type. Now a producers' movement inevitably must be more or less socialistic in type. Its underlying principle and one of its main objects is opposition to the capitalist monopoly of means of production. It seeks to achieve its purpose by the abandonment of individual and private profit by the producers in the interests of the producing and labouring classes as a whole. It follows, therefore, that it can receive whole-hearted support only from men who are convinced of the evils of the existing capitalist system, and that its interests must clash with the interests of those who may yet be able to support the agricultural resource movement with no compunction and indeed with every aspiration.

There is a further practical question. The Resource Movement including District Banks and the Provincial Bank is, as yet, nowhere near being able to find money for all agricultural purposes. The total wants for current needs of the agricultural population in

this Presidency are about 25 crores per year. It will take many years still to come, before the whole population is covered by agricultural credit and non-credit societies and before these banks can work up their capital to a height at which they can fairly hope to cope with their finance. On the other hand, at a very small estimate the needs of Weavers' Societies for purposes of only current finance cannot be lower than one crore. The other Producers' Societies in this Presidency are so far only at their first stage; and their needs are very small at present. But if they spread to anything like the extent for which one hopes, it is quite conceivable that in another five years their needs also will be not less than a crore per year. I do not, therefore, see how, as a practical question, even laying the other considerations aside, there is any hope of the District Banks and the Provincial Bank being able seriously to undertake the finance of Producers' Societies. Excluding therefore, Government loans and the present District Banks and the Provincial Bank, the only means by which Producers' Societies can get finance are within the movement (a) from existing Urban Banks or (b) from a possible Producers' Bank, and (c) outside of the movement from wholesale commercial traders. Accommodation under (c) is of course a matter of arrangement in each case, but the accommodation will have to be expensively paid for, especially as in most cases the traders are bitterly opposed to such Producers' Societies and have already put obstacles in their way. While, therefore, I consider that such accommodation must be made use of as far as possible, I do not think that it can in any way be depended upon, and even on practical and much more on theoretical grounds I consider it is the duty of the Co-operative Movement to find an alternative within itself.

As regards (a) Urban Banks are still few and do not command as large capital as is required. Further, I have not found any great eagerness on the part of Urban Banks to finance Producers' Societies. They have been too conservative for one thing and seem to prefer the comparatively unprofitable banking method of giving loans even for unproductive purposes for comparatively long terms to individual members. I think they should be stimulated by a resolution of this Conference and propaganda by the Institute to understand their duties to Producers' Societies better and to endeavour to increase their capital and to finance such societies on an adequate scale. Further propaganda is also required to organize new Urban Societies which shall include the financing of Producers' Societies among their objects. I confess, however, that I am doubtful whether there is sufficient hope to be derived from such Urban Banks in the near future for the urgent requirements of the Producers' Movement. I am, therefore, inclined to think that in this Presidency as in France recourse must be had to alternative (b) viz. the organization of a separate Producers' Bank. As in France, so here, Producers' Societies including Weavers' Societies should from the first be asked to take a large part of the share capital of such a Bank. But further support must be found in the market from such of the educated and richer class as are anxious to stimulate craftsmanship in this Presidency or who wish to avoid the serious evils of the capitalist system in industry overtaking this Presidency as they have overtaken so many European countries. Moreover, in such a Bank even to a larger extent than in the Provincial Bank, it is absolutely essential to have good management from the very start and the management must be by persons who are expert in the financing of industrial enterprise. There would, however, as far as one can see, be no objection to such a Bank from the first asking for Government help in the same way as the Provincial Bank asked and obtained it. Such a Bank could perhaps arrange with existing Urban Banks to work for it as its agents and could derive large profits if it carefully watches the course of trade and directs the sale, for instance, of woven cloth in the markets most profitable to the producer.

III (d) Financing and other facilities for producers' Societies

2. L. S. Potnis. The difficulties in the way of the Producers' Society are many and of different sorts. As these societies consist of workers, who are generally poor it is very difficult to raise the initial capital unless the members enlist the sympathy of persons ready to assist either by subscribing to the share capital as sympathising shareholders or by keeping deposits. As the outside borrowing cannot exceed 8 times the paid up share capital, it becomes necessary to enlist the sympathy of such members to subscribe to the share capital. If the promoters succeed in collecting the initial share capital, the jealousies of workers outside the society are aroused and they begin to create troubles in various ways, even attempts to dissuade the good workers from the society are made.

The suppliers of raw materials and the purchasers of finished articles think that the society is likely to be injurious to their interest, and try their best to stop the working of the society at the very beginning by threatening the promoters, or declare a business boycott. At Sholapur, no beginning could be made to Ironsmith society. In the case of Poona Twasta Kasar Copper-smith society, there was a regular boycott on the Society's shop. Not only no purchases were made by the members of the copper and brass merchants association at Poona, but even outside merchants making purchases at Poona were threatened that nothing would be sold to them, if they would purchase at Co-operative Society's shop. Fortunately, the articles manufactured by the members of the society were a sort of monopoly and the members being of one community, took a bold stand and made up their mind to resist the boycott. Considering this attitude of the society members, the Registrar arranged to get a cash credit of Rs. 10,000/- from the Bombay Central Co-operative Bank, and Mr. Lombar, a merchant from the same community arranged to send copper sheets worth Rs. 25,000 on credit to the Society. The members were thus enabled to hold their ground, though they were threatened with the civil and criminal prosecution for the money and copper sheets advanced to them by the merchants. The society members returned the copper sheets and arranged to pay money advanced by instalments. When the merchants found that the combination of society members was difficult to break, there was an amicable settlement and they promised to make purchases at society's shop.

After this, there was an attempt to manufacture the articles manufactured by the society members by machinery, but upto this time they have not succeeded. It will be thus seen that prompt finance will create confidence amongst the workers and promoters and persuasion and boycott will have no effect.

Though the Twasta Kasar society had no experience of rise in the price of raw materials still some weavers' and leather workers' societies experienced the difficulty of having a rise in the case of raw materials when purchased from local merchants. This difficulty can be removed only by making purchases of raw materials from the centres of production or central markets.

Besides this the producers' societies are required to deal with outsiders in order to dispose of the articles of their manufacture. In this respect, they are unable to go against the market custom and have all the articles disposed of for cash. There is also a likelihood of such societies keeping their manufactured articles for sale on consignment system with some societies and firms or private merchants. In all these cases there is every chance of having all possible troubles as regards the recovery of the cost of the articles kept for the sale. In the same manner, it cannot be said that there will be no hitch as regards payment for the purchase of raw materials from the non-members. The dealings being with non-members, the societies will have no recourse to arbitrators and every now and then it will be necessary to go to a civil court. The Poona Twasta Kasar Society had to lose a substantial amount by dealing with a non-member merchant who made purchases at society's shop and was given time to pay the bill as per market custom, but as he became insolvent in the interval the society had to lose. It will be better if the Institute appoints a committee, consisting of men having legal knowledge to work honorary and supply all the legal information the society wants in such matters.

As regards financial matters what the Institute can do, is to visit such societies from time to time and send recommendations to the Bombay Central Co-operative Bank for financial assistance.

Such societies will require finance when the market is dull and when there are no purchasers for finished articles. The societies should be financed on the security of finished articles and enabled to pay the workers and make purchases of raw materials for further production.

The Poona Twasta Kasar society wants, such assistance in rainy season. The weavers' societies though not actually working as producers' societies still the condition being the same, want the same sort of help in rainy season as well as in famine days and non-marriage season. The Satara leather workers' society wants to be financed on the security of finished articles. These societies will have to be systematically financed either by the Bombay Central Co-operative Bank or by a separate producers' Bank. Unless there is-

sufficient financial help there will be no sufficient production especially when the market is dull. The necessary arrangement should be done to finance the producers' and weavers' societies either through the existing Provincial Bank or by starting a separate producers' or Industrial Bank.

But an equally important point on which such societies can be helped is to secure market for the goods produced. The Institute should make arrangements for sale either by advertising, arranging shows, through museums and fairs, keeping such articles for sale on consignment system, or by getting orders through regular canvassers. The Institute should get this work done through a separate committee or by organising a co-operative Home Industries Association as suggested in a separate paper.

The Kamgar Sahakari Foundry is not in a position to pay something for securing orders to keep all the members employed, and it will be better if the society gets orders with the influence of the Institute, without the intervention of a middle-man to whom they had to pay a very large share for securing orders.

r. R. N. Mehta:—The general outlines of financing resource, societies are more or less determined; the need for financing of consumers' and producers' societies is equally important and a substantial progress in each of the two classes of societies will depend upon the solution as to how they are financed. Producers' societies can be financed either by the Provincial Bank or by the Producers' Bank (started specially for the purpose) or by local agencies.

The functions of the financing agencies of the Producers' Societies will be not only to finance them but to organize purchase and sale business on their behalf. Proper control over the investment cannot otherwise be exercised. The Provincial Bank with its headquarters in Bombay cannot exercise such control over the societies throughout the Presidency, though it can do so for societies in the city of Bombay or in places where it has Branches. Further, it is desirable to confine the activities of the Provincial Bank in financing all types of central societies.

There is absolutely no need for organizing a separate Producers' Bank, because apart from the question of sufficient business for it, it will come into conflict with the Provincial Bank in the Bombay money market and it is impossible for any producers' Bank to undertake the purchase and sale of all kinds of articles to the satisfaction of the constituents even if it engages about 2 doz. experts for the work.

The only possible solution to my mind is to start Unions of Societies, working for different articles; to facilitate the working of weavers' societies, such Unions or Central Stores are started at Sholapur and Hubli. Similar Unions for Coppersmiths', Goldsmiths', tailors', carpenters', shoe-makers' societies can be started at different places and the provincial Bank which should remain as the sole financing centre for all classes of societies should finance such unions or stores. Until such Unions are started, local Urban Banks and the District Banks should be requested to help the scattered societies.

III. (e) Printing Press for Co-operative Societies in each Linguistic Division

Mr. F. T. Nalavdi:—1. The necessity of a Printing Press:—It is an acknowledged fact that publication on a subject on a wider scale is necessary for carrying on the propaganda work. It is true in the case of co-operative subjects as in any other subject the propaganda of which is sought for by the public. To have wide publication of a subject, for spreading its knowledge, cheap printed treatise on the subject is necessary. To achieve propaganda of co-operation cheap printing is therefore to be sought for.

2. Various printed forms are being used by co-operative societies. There have been circulars by the Department to use carbon receipts and to maintain certain records, but these are not taken up by many of the societies as they could not get these forms conveniently printed. Besides the uniform forms that are supplied to co-operative societies for their use by the Government from the Printing Press at Yeravada, many of the societies are getting their other forms locally printed. Each Society, especially Urban societies have in this way to spend a good deal every year, on printing work. Such a local printing work is not found to be satisfactory, easily accessible and convenient in all respects. It can be shortly said that every society has a demand for printing work and that its demand is not well satisfied at present.

3. Much of the printing in the way of circulars, publication of Magazines, notices, invitations, Examinations, and Election papers, which is undertaken by each Divisional Branch is taken to the Local Printing Presses. This involves much trouble, expense and inconvenience. Correcting proofs has to be often made and repeated instructions to be given to get the work to one's satisfaction, and for this the Manager or the clerk has to wait at times in the printing press.

4. From what is stated above, it can be seen that there is the necessity of printing press, for the co-operative societies in a Division. It is less expensive and more convenient to the societies to have all their forms devised and printed in one printing press inasmuch as the cost of printing is less in proportion to the greater number of forms printed. The above necessity can be removed and an advantage gained by the starting of a co-operative printing press in each Division in the Head Quarters of the Divisional Branch of the Institute.

5. The necessity ought to be got supplied by the societies themselves by starting a co-operative printing press. The member societies to such a printing press may be taken as consumers and the persons working in the press may be counted as the producers engaged by the societies as consumers. There is therefore a likelihood of trouble being arisen in the working of the printing press between the societies and the working staff. When capital is to be owned by the member societies as one class and labour to be got by another class of persons as workers, the trouble of capital and labour may also arise. It is therefore, necessary to insert a suitable bye-law for the smooth working of such a concern. The proposed bye-law should give the working staff some right of the representation in the administration of the Press, and provide for bonus for them.

6. The societies in a Division may be asked to contribute to the share capital of such a press in proportion to their working capital. The Karnatak Branch has already taken up this scheme and is considering over it. In furtherance of the project the by-laws of the Central Co-operative Printing Works of Madras have been ordered and considered. These by-laws with the necessary alterations may be very useful in making the co-operative press a success. I therefore commend the by-laws as the guiding by-laws of a co-operative printing press in each Division of our Presidency. For these, among other reasons, I propose the following resolution for the deliberation of the Conference.

"This Conference feels the urgent need of starting a co-operative printing press for each division and requests the Registrar to accept the principle embodied in the by-laws recommended by the Conference."

Estimated expenses of the Institute **Inspection Charges:—**

50 Junior Inspectors to be engaged on a salary of Rs. 50-5-100.	
The cost of these Inspectors including their travelling and other charges will come to Rs. 75/- a month—i. e. $75 \times 12 \times 50$...	Rs. 45,000.
8 Senior Inspectors one for each division and two for special tracts on a salary of Rs. 100-20-250. Monthly cost of each Inspector will come to Rs. 200/- as per above i. e. $8 \times 200 \times 12$...	Rs. 19,200.
Office stationery etc. required by all the above inspectors ...	Rs. 3,000.

Organization and Supervision charges:—

Grants to Taluka Development Committees (60 x 300) Rs. 300/- to each of such committee... ..	Rs. 18,000.
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Branch Maintenance Charges:—

6 divisional charges maintaining one clerk and one sepoy. Expenses including office rent, allowances to members etc. Rs. 3,000/- for each Branch.—i. e. $6 \times 3,000$	Rs. 18,000.
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Expenses of Head Office:—

Including rent, printing, stationery, salaries and allowances to members	Rs. 15,000.
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Propaganda Charges:—

Including expenses for magazines, conferences and secretaries and members' training classes	Rs. 25,000.
Surplus	Rs. 1,43,200
				9,300
				<u>Rs. 1,52,500/-</u>

Estimated income of the Institute

Levy of Fees :—(1) From societies under class A & B at As. 4/- percent on loans advanced to members, Rs. 1 Crore.	Rs. 25,000.
(2) From societies under class C & D at As. 8% on loans advanced to members, $\frac{1}{4}$ Crore	Rs. 25,000.

Note :—These societies will require frequent inspection and hence they should contribute more.

(3) From Banks lending at 8% and below on loans advanced to societies at As. 8% Rs. 75,00,000/-	Rs. 37,500.
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(4) From Banks lending over 8% on loans advanced to societies at Re. 1% Rs. 25,00,000/-	Rs. 25,000.
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Note :—These Banks have increased the rate to meet Inspection Charges.

(5) Contribution from the Government	Rs. 40,000.
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Rs. 1,52,500/-

Note :—The Government already spends as travelling allowances to organizers etc.

IV. CONSUMERS' MOVEMENT**(a) Buying Clubs**

Mr. Hiralal Thanaki :—There are many difficulties in running separate stores in village and small town areas. The loyalty of the members is of prime importance and the bond that binds the members to the stores society is not very strong, but if the credit Societies take up this activity, it may lead to success. Good credit societies, managed by competent and able secretaries and chairmen, may be recommended to take up this activity side by side with credit work. They may be allowed to buy on credit if the rate of interest charged is not more than 6 p. c. This is necessary as the societies will have to buy at various times of the year as the demand arises. The Societies should charge only 7 or $7\frac{1}{2}$ p. c. interest on the price of the commodity supplied to them if unpaid. It may not be made compulsory for all the members of the Societies to join in the activity. The profit earned may be divided amongst the persons concerned.

I (b) Central Information Bureau for the existing Stores

Mr. L. S. Potnis :—One of the principal causes which affect the success of a Co-operative Store is the want of correct information as regards the centres of production, the current market rates of the articles required for sale, the tendency of the market, the daily fluctuations in the prices of these articles and the ignorance as regards Railway and Steamer freights with probable time required to bring these articles to the Store, and the different weights and measures current in different parts of the country. If there be a slightest mistake on the part of the Managing Committee Members or of the Manager of the Store in properly considering all these factors there is a possibility of incurring heavy losses sometimes, resulting in the ruin of the institutions concerned. The Societies may send orders to wrong places not knowing the current market rates or may not get the articles in

time and there may be fall in prices or may make wrong calculation as regards Railway routes, freights and weights, and thus suffer heavy losses.

There are actual instances of losses due to these causes. If there be a Central Information Bureau with branches at several places of production, and if it supplies correct information as regards (1) the market rates of various articles at these places, (2) fluctuations in prices of these articles and (3) the tendency of the market, by bulletins or printed cards, and if the tables of different weights and measures and the Railway and Steamer freights be supplied when asked for, the Stores will be in a position to avert the losses due to the miscalculations of the factors mentioned above, make their purchases at the cheapest market and reduce the middle-man's profit to a great extent.

The Central Information Bureau should not undertake the purchase and sale of any articles but should supply the information urgently needed and recommend *adtyas* or agencies for the purchase and sale of articles when a Store wants such assistance.

It is the business of the Wholesale society to make purchases and I do not think that the Wholesale society will be successful unless there be a large number of societies loyal to it, and there will be no loyalty unless the Wholesale society is in a position to give some cash credit to the societies making purchases through it.

The Central Information Bureau if started will not only be useful to Store Societies but will also be in a position to undertake the work of Producers' Societies, Weavers' Societies, Seed Societies, Manure Societies, and Agricultural Sale Societies. The Producers' and the Weavers' Societies want cheapest market for the purchase of raw materials and the dearest market for the sale of finished articles. Manure and Seed Societies also want a cheap market for their purchases and the Agricultural Sale Societies the dearest market for the sale of the agriculturist produce. All these societies want some assistance in this direction and a Central Information Bureau is the only Institution which can supply this.

The working should be on business lines. The Central Information Bureau should be registered as a Co-operative Institution and the Societies which are in need of getting information from the Central Information Bureau should get themselves affiliated to it. These Societies should be asked to contribute to the actual expenses incurred by the Information Bureau.

If any Wholesale Society be started, the functions of the Central Information Bureau should be undertaken by the Wholesale Society, if not, the Bombay Central Co-operative Bank which is the principal financing Bank of all Co-operative Societies should undertake the work as an Agent of the Central Information Bureau. A small Committee consisting of Directors well versed in business should be appointed for getting the work done through a paid Manager whose salary can be defrayed by levying proportionate contribution from the societies affiliated to the Information Bureau.

It will be thus seen that a Central Information Bureau is an urgent need not only to Consumers' but also to Producers', Weavers' and Agricultural purchase and sale societies, and I think the remedy suggested above is the least expensive of all.

I (c) Supervision and Audit of the Stores

Mr. P. K. Jambhekar:—The best and undoubtedly the most efficient way of supervising and auditing the stores is to have a separate union of the store societies for a group of such societies situated at a reasonable distance from each other and formed of representatives from each of the societies in the groups, a representative of the Central Financing Institution, if any, and one or two representatives from the local branch of the Central Co-operative Institute.

2. The body thus formed should appoint one, or two, or more if needed, salaried supervisors from amongst themselves to supervise the working of each of the affiliated store societies.

3. The necessary funds for the supervision and the general administration of the Union should be created by a levy of some reasonable subscription from the affiliated societies, basis of a levy being the working capital of the Society.

purchase a house through the Society in this way should hold in it paid up shares not less than $\frac{1}{4}$ th of the cost of the house. The cost of the house should include the actual cost of construction and a small percentage of commission. For the whole cost of the house however, the Society should take from the member a bond secured on his shares in the Society, the plot, and the house thereon. The rate of interest payable by him to the Society on the amount should be slightly higher than the rate payable to Government on the loan from the Registrar. The number of annual instalments by which the amount should be repaid by the member should also be fixed, and not exceed the number of instalments by which the loan from the Registrar should be repaid by the Society. When the member repays $\frac{1}{4}$ of the cost, he should be entitled to set off his shares excluding the share qualifying him as member, towards the repayment of the balance of the cost. When the whole cost of the house due from the member to the Society is repaid, he should be entitled to transfer his interest in the plot and the house thereon to another person willing to be and admitted as a member of the Society. Dividends on shares should be paid by the Society out of its annual profits, and members should be entitled to set off their dividends towards the repayments of the annual instalments due from them.

(4) The Society should first start operations on a small scale and gradually extend them to all the villages in its area. I feel, that if Co-operative Housing Societies are organised on the above or other appropriate lines, they will, in the result, prove to be the most effective agencies for :—

- (a) extending the village sites and removing the congestion in the existing village sites, and
- (b) laying out and constructing houses, conformably, as far as possible, to the requirements of sanitation and the agricultural industry.

The lay-out of the village extension and the building plots and the plan of house proposed by the Sudi Co-operative Housing Society, Sudi, Ron Taluka, Dharwar District, are appended to this note.*

V. POLICY AND PROPAGANDA

(1) Development of Institute's Work

1. **Mr. R. N. Mehta** :—Emphasis is rightly placed by all co-operators on having a closer and more efficient supervision over the rural credit societies. At present the financing Agencies, the staff of organizers and the guaranteeing Unions are held responsible and it is suggested to add the responsibility of the Institute to the above list. As a matter of fact everybody's duty is nobody's duty; therefore it is time when the responsibility of organization, supervision etc. should be entrusted to one body, and the Institute is the proper body for doing this work.

The supervision should be partly by paid workers for checking the detailed work and partly by local people acquainted with local conditions. For this purpose, I have suggested in the following scheme that the policy and higher type of work should be managed by the Branches of the Institute and the routine work by small Taluka Development Committees. There are about 6 branches of the Institute and below these Branches at present about 60 development committees be formed; the areas of these committees may be one or more Talukas. I beg to suggest below the constitution and the general outline as to how these Branches should be organized.

Branches of the Institute :—The council of management of each Branch should be represented by 20 members; 10 of whom should be elected by Taluka Development Committees, 6 by District Banks, 2 by Provincial Bank and 2 by the Head Office of the Institute.

The functions of the Branch will be (1) to organize Taluka Development Committees, (2) to supervise the work done by such Committees, (3) to settle misunderstandings, if there be any, between Taluka Committees and the District Banks or the Inspectors, (4) to organize small and big conferences, training classes and conduct vernacular magazine, (5) to collect fees and subscriptions from Banks, Societies and individuals, and (6) to appoint and dismiss Junior Inspectors to work under the Taluka Committees.

* These are not printed, but can be seen in the office of the Institute.

Sub-Committees for the disposal of various kinds of work should be appointed and they may meet whenever necessary. The whole committee should however meet at least once every quarter. A Budget estimate of income and expenditure will be prepared by each Branch and will spend as per grants allowed by the Institute.

Taluka Committees:—The managing body of this committee will be represented by 12 members of whom 8 will be elected by the Societies, 2 members by the financing Bank and 2 by the Branch of the Institute.

The functions of the committee will be (1) to consider and pass orders on the Inspection reports (2) to depute a member or members to supervise societies if some serious mistakes are pointed out, (3) to organize lectures and informal talks among members of societies and (4) to take all the necessary steps for organizing new societies.

The programme for the work to be undertaken by the Committee will be fixed by the Branch in consultation with the members of the committee.

Senior Inspectors:—Eight senior Inspectors drawing Rs. 100-20-250 should be appointed, one for each Branch and two for special tracts. They will act as ex-officio secretaries of Branches and as such will attend some of the meetings of Taluka Committee and will also under the instructions of the Branch Chairman, visit societies which are mismanaged or in arrears with the financing agency. Their appointments etc. will be made by the Head Office of the Institute. They will train, guide and supervise the work of the Junior Inspectors.

Junior Inspectors :—will act as ex-officio secretaries of Taluka Committees. They will forward inspection notes to the financing Agencies and to the Committee. They will prepare valuation of assets of members, maximum credit statements, stimulate recoveries etc. They will be appointed and dismissed by the Branches of the Institute. One Inspector might be placed under two committees if the number of societies in that area is very small.

Arbitration & Liquidation :—The Registrar may appoint the Senior Inspectors or the Chairmen of Taluka Committees for this work.

Special Mamalatdars :—The Government will have to appoint Special Mamalatdars to carry on the work in backward tracts. The number of such Mamalatdars may be fixed by the Institute in consultation with the Registrar.

The above scheme is no doubt incomplete and requires changes here and there ; I have ventured to submit it to know the views of the co-operators if such a scheme would receive the approval of co-operators and if so, the work of the detailed scheme be entrusted to the Standing Committee of the Institute.

The expenses of such supervision should necessarily be levied from the Banks, Societies and the Government as all of them are interested in improving supervision and all of them are at present spending something for the same.

Estimated expenses of the Institute

Inspection Charges:—

50 Junior Inspectors to be engaged on a salary of Rs. 50-5-100.	
The cost of these Inspectors including their travelling and other charges will come to Rs. 75/- a month—i. e. $75 \times 12 \times 50$...	Rs. 45,000.
8 Senior Inspectors one for each division and two for special tracts on a salary of Rs. 100-20-250. Monthly cost of each Inspector will come to Rs. 200/- as per above i. e. $8 \times 200 \times 12$...	Rs. 19,200.
Office stationery etc. required by all the above inspectors ...	Rs. 3,000.

Organization and Supervision Charges:—

Grants to Taluka Development Committees (60 x 300) Rs. 300/- to each of such committee... ..	Rs. 18,000.
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Branch Maintenance Charges:—

6 divisional charges maintaining one clerk and one sepoy. Expenses including office rent, allowances to members etc. Rs. 3,000/- for each Branch.—i.e. 6 × 3,000	Rs. 18,000.
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Expenses of Head Office:—

Including rent, printing, stationery, salaries and allowances to members	Rs. 15,000.
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Propaganda Charges:—

Including expenses for magazines, conferences and secretaries and members' training classes	Rs. 25,000.
Surplus	Rs. 1,43,200 9,300
				<u>Rs. 1,52,500/-</u>

Estimated Income of the Institute

Levy of Fees :—(1) From societies under class A & B at As. 4/- percent on loans advanced to members, Rs. 1 Crore. Rs. 25,000.

(2) From societies under class C & D at As. 8% on loans advanced to members, $\frac{1}{2}$ Crore Rs. 25,000.

Note :—These societies will require frequent inspection and hence they should contribute more.

(3) From Banks lending at 8% and below on loans advanced to societies at As. 8% Rs. 75,00,000/- Rs. 37,500.

(4) From Banks lending over 8% on loans advanced to societies at Re. 1% Rs. 25,00,000/- Rs. 25,000.

Note :—These Banks have increased the rate to meet Inspection Charges.

(5) Contribution from the Government Rs. 40,000.

Rs. 1,52,500/-

Note :—The Government already spends as travelling allowances to organizers etc.

I. (a) Development of Institute's Work

What work can the Branches of the Institute undertake to improve the general management of societies especially in reducing overdues ?

2. Mr. V. M. Bakre:—Of all the subjects this is the most important. It is necessary that the officials in this department should pay equal or even more attention to keep sound the management of the societies already in existence, as they appear to pay towards increasing their number. On closer observation, it will appear that the present supervision by the officials is somewhat inadequate. I would suggest that the creation of a committee consisting of two members from the Branch of the Institute and one from the societies and that such a committee should be entrusted with the supervision of the societies.

This committee should specially examine in details the several transactions of the Societies whose overdues increased abnormally and should submit their report to the Registrar, who after careful consideration of the report should communicate his views and the instructions to the societies concerned.

The societies should be asked to submit both to the Registrar and the Branch of the Institute a quarterly report of the overdues appearing at the end of the previous

quarter, the amount collected out of them, also the amount that has afresh become overdue during the quarter under report.

3. Mr. Hiralal R. Thanaki:—The whole burden of management and the responsibility of a Society's working lies with the secretary alone at present, the chairman hardly taking any interest in the matter and most of the secretaries are always outside and paid men. To them it can hardly be a labour of love in any respect. Most of the overdues, putting aside the fact of failure of crops, as an exception, are due to the granting of loans to some of the members beyond their capacity by the secretary or by the secretary and the chairman who is under his thumb. The secretary does it because he is pleased to do so, hardly considering the general responsibility of the society. The Committee members hardly care to inquire or even perhaps to know of other loans if their loans are sanctioned. It is, therefore, necessary that the secretary should be one of the members and if possible the work may be done by him as Honorary Secretary. The branches of the Institute should try to persuade the members to send one of them who is literate for training at the branch office. The man who is thus prepared as a secretary will have consideration for the joint interest of the members. Moreover the branches of the Institute should, from time to time, take up the work of instructing some members of each society by holding special classes or lectures at a central village. These persons may be generally instructed on the working of the Co-operative Societies and specially on the duties and responsibilities of the chairman and the members of the Managing Committee.

V. (1)(a) Work to be undertaken by Branches of the Institute to improve General Management and reduce Overdues

4. Mr. Otto Rothfeld:—I have little to add to what I have written in my annual report on this subject. There is no question that a very large percentage of societies are at present in a bad way. Dishonesty is rampant, misunderstanding of principle is common, and overdues are in many cases really enormous. The main cause of all these faults is insufficient instruction in principle and insufficient guidance. The actual financial supervision should of course be undertaken by the financing agencies, but it is not a part of the business of financial agencies to undertake general instruction in Co-operation. That is undoubtedly the business of the Institute. I am, therefore, of opinion that a serious programme must be made out by each of the branches of the Institute for careful instruction of societies and especially of all societies classed as C and D. For this purpose each branch will have to employ a competent, well-educated and well-paid travelling Secretary whose work must be supervised from week to week by the Managing Committee. Sketch lectures should be drawn up and a regular programme of work made out. What is really needed is thorough missionary work to inspire the villagers with the principles and objects of co-operation.

In my opinion the suggestion that societies should inform Honorary Organizers of the extensions of loans and that the Honorary Organizers should again forward these reports to Assistant Registrars is not likely to be of any use at all. It will in my opinion only lead to a sort of paper and officialised supervision without that valuable touch of enthusiasm which is essentially required. I would venture to propose the following resolution:—

“That in order to overcome the growing evils of mismanagement and accumulation of overdues in village societies, the Branches of the Institute must draw up regular programmes of instruction and propaganda beginning especially with societies classed C and D and conducted by well-educated and well-paid Secretaries under the guidance of Managing Committees and the Honorary Organizers. Members of the committees and the Honorary Organizers should fit in their own programmes with the tour of the secretary and sketch lectures should be drawn out.”

5. Mr. P. K. Jambhekar:—The Branches of the Institute can, if they themselves are well managed co-operatively, and if they possess really efficient and honest co-operative workers, help, in a great degree, to improve the general management of Societies and also in reducing overdues by undertaking quarterly or periodical inspections of the Societies situated within their area or affiliated to them.

2. For this purpose it would be necessary in the first instance for the Registrar to issue orders to all the Societies, both credit and non-Credit, to submit copies of their annual Returns to the Institute or its local Branch for scrutiny, in addition to those that are submitted to the Registrar.

3. The local Branches which desire to undertake inspection should, on their own part, form Sub-Committees consisting of good and enthusiastic workers for purposes of such quarterly inspection, who should visit each credit society almost every quarter and submit report to the Local Branch, a copy being submitted to the Registrar or his Assistant for the District concerned for his information.

4. The Local Branch should issue such instructions to the societies concerned as are deemed necessary for reducing the overdues, if any, or for rectifying the discrepancies brought to light in the course of inspection, the Registrar or the Assistant Registrar being, at the same time, kept informed of the action taken on the report of the Sub-Committee.

5. The members of Sub-Committees entrusted with the task of inspection should call in the defaulting borrowers of the inspected society, find out by sympathetic questions, the causes of arrears, of overdues, debts, and ascertain with the help of the committee men of the society concerned if the recovery cannot be facilitated by reducing the amounts of the instalments or the grant of the necessary short extensions of the periods to tide over other difficulties, consent of sureties being of course duly obtained. In some cases the recovering will have to be effected from the sureties themselves in small instalments.

6. By friendly visits undertaken periodically, and by kind enquiries, and, where necessary, by equally kind advice, the members of the committees of the Societies visited will be encouraged to take greater interest in their work, which in its turn will stimulate and elevate the management.

7. I take leave to point out here that all this depends upon the manner or the constitution of the Branches of the Institute, and on the manner in which their committees do their work, and on the capacity and efficiency of the committee members themselves.

8. It is not my intention of finding fault with the constitution of the Branches of the Institute and of their work, but before undertaking any work of Supervision it would be highly desirable to make the branches and their committee really representative of the societies to be supervised, otherwise the visits are likely to be resented.

V. 1 (a) Co-operative propaganda : Some means suggested

6. Mr. K. B. Bhadrapur. 1. Social functions:—Co-operation requires many-sided propaganda for its advancement among the people and of them Social functions are not by any means the least valuable, as they serve to create a feeling of love and strengthen the bonds of unity among its workers. The following social functions are suggested.

(a) General Meetings

Every society should observe its annual general Meeting as a galaday. Some distinguished co-operators may be invited to take the chair on the occasion and along with the usual business of a General Meeting, time should be found to explain to the audience the benefits of co-operation, a brief history of the society and special features, if any, of the year's working and what has been the effect of the society on the economic and social life of the village and upon its own members. The Society's Office may be decorated and those that are present for the meeting may be treated to pansupari, light refreshments etc., at the expense of the society, of its leading members or a local magnate. Representatives of neighbouring societies and leading people of adjoining villages may also be invited for the occasion. The occasion may also be made use of for demonstration of agricultural improvements and for showing magic-lantern slides on sanitation, co-operation, agriculture and such other kindred subjects. Visual instruction in matters as these will impress cultivators better than speeches.

(b) At-Homes

Big societies may be 'At Home' with co-operators in the neighbourhood. Though co-operation would not form the chief object of such a function, still the exchange of ideas comparing of notes would serve a very useful purpose for the propagation of the movement. Co-operators would feel at such a function that they are a body of men inspired with common ideals and working for a common cause. They would draw light and inspiration from one another and they would come out of the function with their zeal enhanced for the cause and their co-operative knowledge enlarged.

(c) Co-operative Dinners

These are more costly than any of the above functions and should not be made a function except for a limited number of workers, who can meet and mingle on a perfect footing of equality. The dinner should be managed entirely at the expense of the members that join the dinner. I am glad to relate here that Dhulia Co-operators held a dinner of the kind in September last.

(d) Holidays

Co-operators should make it a point to observe Holidays such as Dassarah and Divali by arranging a sort of function amongst themselves and may also utilize them to enlighten the Public generally on co-operative topics by means of lectures etc.

2. **Advertisement** :—Every society should try to advertise itself as much as possible and to keep itself in the public eye. It should have a separate office if possible, in a prominent part of the village or town and it should have a signboard. All its account papers, pass-books and letters should bear its stamp. The certificate of registration should be glassed and hung up in the office. The by-laws should be printed in bookform and should be available for sale at a small cost. If the Department were to print their model by-laws in bookform and were to sell them to the public, it would save expense to smaller societies. Every society should have a motto and each member should be taught to know its import. The following mottoes are suggested. "सद्गतिः कार्ये साधिका" (Sanskrit), 'one for all and all for one', 'Unity is strength', 'Co-operation the foe of famine', 'Take care of pence and pounds will take care of themselves', 'A penny saved is a penny got', 'जलनिद्रु निपातेन क्रमशः पूर्यते घटः' (Sanskrit). इनिगे इनि कूडिदरे इड तेनिगे तेनि कूडिदरे राशि (Kanarese). The mottoes adopted should be such as are appealing and as can be easily understood. High and bombastic mottoes should be studiously avoided. The Society's motto should be printed on pass-books.

3. **Vernacular co-operative literature** :—The co-operative movement is an essentially educative movement and the importance of having co-operative literature in vernaculars can hardly be over-rated, when the bulk of the people who are to benefit by it are not English knowing. It is suggested that the Institute and Government should at once select a few writers to prepare suitable literature, in the various vernaculars of the Presidency. I am strongly of opinion that any money that the Institute or Governments might spend on this, cannot but be spent most usefully for the cause, for which Government are already spending so much. After all, to have a few standard books on co-operation is only a matter of a few thousands of rupees which none should grudge and thereby starve the general body of co-operators of what they need most for the proper understanding of the movement. It is high time for the Institute and Government to take up the matter right in earnest and to tackle the question as early as possible. Sound ideas on co-operation are the very soul of the movement and especially as the control of the movement is getting more and more democratic, it is extremely necessary that the demoes of the movement should be thoroughly educated in its principles, so that they might properly control it.

V. (2) (i) (a). Committee of Enquiry

1. **Mr. Hiralal Thanaki** :—Appointment of a Committee of Economic Enquiry is necessary for the purpose of realising the difficulties that hinder the economic uplifting of the agriculturists. In certain areas, though the societies are doing good work, the agricultu-

rists have hardly improved their financial position. The Committee can, after inquiry, suggest other measures or some improvements in the working methods of the societies for the economic advancement of the agriculturists. It has been seen that many a time the trouble is wasted, poor and timid agriculturists as they are, are not able to open their hearts and talk freely to members of the committee who are officials and unaware of the local conditions. It is, therefore, suggested that points of inquiry may be set out and the work of the inquiry may be entrusted to local Non-official persons in each District.

2. Mr. P. K. Jambhekar :—This question was before the last year's Provincial Conference if I remember rightly, but was shelved for some reasons. It was also discussed, I believe, by the executive body of the Central Co-operative Institute two years ago.

2. The object of such an enquiry is to find out what change has been effected in the economic condition of the agriculturists and other people living in rural areas and served by the various agricultural co-operative credit societies spread throughout the Presidency.

3. To prominently bring to light the effects of cooperative credit, it will be necessary to first obtain statistics from such of the rural credit societies as are representative of the different economic conditions prevalent, and of the standards of living obtaining in every district, and to also collect data for comparison from parts of the same rural areas in every district, which are not served by any co-operative credit society but which are served by the sawakars only on the primitive methods of borrowing, and where the spirit of association is absent.

4. For comparison to be of any value, the statistics and the data to be obtained should cover a period of at least five years previous to the holding of any enquiry.

5. The enquiry sought to be undertaken should be uniform in its mode in all the districts and should be made under equal conditions so as not to vitiate the results to be judged from the data obtained.

6. The committee to be appointed should consist of both officials and non-officials who are well versed in collecting materials of this nature and who can be trusted to form their own independent judgment from the materials at hand. Eminent and experienced co-operators, representatives of the agricultural and co-operative departments should be on the committee. The local revenue officer in every district should also, ex-officio, sit on the committee for helping the enquiry. The strength of the committee should not exceed six.

7. The details as to the different items or heads under which the information is to be collected and the forms to be used should be left to the proposed committee to decide.

8. The financial stress of the present times might be assigned as the reason for withholding the enquiry, but the self-evident importance and value of such an enquiry, and the fact that it has been already shelved for the last two years should be taken into consideration and should outweigh the financial considerations. The expenditure to be incurred will be well-repaid.

9. I beg leave to suggest as a means of reducing the possible expenditure, the utilization of the services of the Pensioners preferably from the Revenue Department, if they are really well-qualified for such an enquiry.

V. (2) (ii) (a). "Change in Co-operative year"

Mr. P. K. Jambhekar:—This subject had come up for discussion at the last Provincial Conference held in Poona in August of 1921, but, owing to want of time, was entrusted for disposal, along with some other subjects, to "the Functions and Non-statutory Duties" committee; it appears that it was not dealt with by that Committee and makes its appearance again this year with some insistence.

2. As I said last year, I do not think that the change in the year will be of any advantage to the whole population of the whole of the Presidency. The Co-operative year of the Presidency ought reasonably to be in agreement with the year adopted for administrative purposes by the various departments of the Provincial Government.

3. Last year some attempt has been made honestly of course, by my friend the Divisional Organiser of Broach to show that the change would greatly benefit the cotton districts of Gujerat, and was therefore strongly advocated by him.

4. It would not bring me, I believe, under the influence of the Official Secrets Act or the Breach of Confidence Act, if I were to say that I was informed by a gentleman who holds equally responsible position and whose opinion is equally entitled to respect, that the change would not be of any material benefit, at any rate, to the other parts of the Presidency.

5. The change to be effected, ought, in my humble opinion, to be of benefit to all the parts of the Presidency in an equal degree, and ought also to cause no friction in the existing administrative machinery of the Province.

6. Any change that will satisfy this test will be and ought to be, heartily welcomed by all.

V. (3) (a) Proposed change in legislation invalidating mortgages or sale of property by borrowing members of societies

1. Mr. Otto Rothfeld:—I am afraid that any legislation of the kinds mentioned in this form would not be allowed by Government and would not be passed by any Legislative Council. It is hardly to my mind conceivable that a law could be passed in such general terms which would practically exclude members of societies from the usual civil law of the country. I think however, that the purpose of the suggestion as far as it is sound and not dangerous to other interests might be met by legislation of a more possible kind. Both in France and in Italy, recent legislation has allowed the constitution of what is known as "family property" by small holders of agricultural land. In France, it is also provided that any members of co-operative societies obtaining long term loans for the purchase or improvement of land may constitute land thus purchased or improved into such a family property. It may be noted however, that land cannot be constituted into a family property if it has been duly and legally mortgaged before notice was given by the occupant of his intention to constitute such an estate. The following is a brief sketch of the legislation existing in both countries:—

The general principles of the French and Italian laws are practically the same. The idea is that the head of the family may, by a declaration before a Magistrate or similar official and after due notice, constitute any rural property including his house into a family property which shall then be inalienable and exempt from attachment or seizure during his life-time or until such period as it passes to a major heir. Only a small property can, however, thus be converted into a family property. Once it is so constituted, it cannot be transferred by will. The family property continues to exist and it cannot be divided so long as there are minor children, but it may be divided when all the children come of age. As long as any of the children are minors, the administration of the family property on the death of the father passes to some one appointed by the head of the family. If no one is so appointed, it passes to the remaining parent, and if there is no parent living or if the living parent has married again, the administration is decided by a family council. On a succession, if there are several children or several co-heirs the property will be assigned to the one who is able to offer payment in money equal to the value of the portions due to the others. If two or more persons make the same offer, the matter is taken before the Judge and lots are drawn to establish which shall have the preference. The heir may, within two months, declare his intention of maintaining the constitution of the family property and in that case the property will so continue without interruption. In Italy, the fees for stamps and registration on such property are reduced to $\frac{1}{4}$ th of the ordinary rates.

I think that possibly similar legislation in this country might be attempted.

2. Mr. Hiralal R. Thanaki:—Most of the societies are not, as yet, in a position to supply sufficient financial help to the members. The loans are limited to certain amount and a member possessing enough security may have to borrow further necessary funds from *outside* creditors. It would be a hardship to restrict the members from borrowing under such circumstances. But in the case of societies which are able to finance their members according to the requirements or in which the old debt redemption system has been introduced a provision may be made in the Bye-Law that if the borrowing member attempts to mortgage or sell, or mortgages or sells his immoveable property, any instalment or instalments, that might have been given to him for repayment of the loan are *ipso facto* cancelled and the whole amount of the loan becomes due at once. Further, a legislation may be made to the effect that the property so transferred is a mortgage thus created without the previous sanction of the society and the District Bank to which the Society is affiliated, carries with it a charge to the extent of the amount of the society's dues up to that date on every immoveable property which was owned and possessed by the member at the time of obtaining the loan. If such a provision is introduced, the charge would be created by law and the society's dues would be safe. Even the member would consider before he takes any step towards transferring his rights over his properties.

V. (3) (b) Appointment of Permanent Arbitration Courts

1. Mr. Hiralal R. Thanaki:—It has been found that to recover dues of the society immediate steps have to be taken and certain procedure, as that of attachment before judgment, is thought desirable. But the societies have to resort to arbitration procedure and they cannot take advantage of the provisions of the Civil Procedure Code. Thus the society cannot get any attachment immediately though the circumstances may justify a Civil Court to grant immediate attachment. To provide facility of this sort to the societies, a permanent arbitrator may be appointed in each District with powers to grant immediate reliefs in cases of urgency. For want of this facility, section 19 of the Act II of 1912 has been found inoperative in practice. To this end the Hon. Organisers would be suitable persons if they are willing to take up the work. The permanent arbitrators after giving immediate necessary relief to the society may send the papers to the Registrar for approval and then the procedure followed at present may be followed in due course, so that the society would be able to safely recover their dues after the award is made and section 19 of the Act II of 1912 would be operative to a great extent.

2. Mr. P. H. Banatwala:—It is a common truth that the present Arbitration System leaves much to be desired. Different Co-operators suggest different ways of remedying this general grievance. The suggestion for appointing permanent Arbitration Courts is however, one which has attracted special notice. Everybody knows that a long time—2 to 3 months ordinarily intervenes between the decision of the managing committee of the society to take arbitration proceedings and the appointment of the Arbitrator by the Registrar. To this, equally long period must be added before the society can say that it has got valid executable awards. The society then has to get the order executed through the agency of the civil court under the provisions of the Civ. Pr. Code, by making an application to the court having local jurisdiction in the matter. It is from here that the troubles of the Indian litigants, as the High Court of Bombay so very aptly remarked in one of its Darkhast appeal, *really begin*. This will be enough to introduce the readers to the difficulties in the way of recovery work of the society. If the societies are to be really assisted in recovery work and if it is intended to see that they should not have the usual worry attendant on ordinary litigants, then the only course is to have our own Arbitration Courts, say one or two per each District. Experienced Co-operators with some knowledge of law may be appointed for the purpose and the powers of hearing such disputes and issuing execution, just as the courts do, may be entrusted to them. This will certainly ensure good and speedy work and the Government too will not have to incur any extra costs on this head.

It may be mentioned that the Co-operative Societies Act, Sec. 43 Cl. 1 does not contemplate the appointment of such permanent arbitrators before the dispute has actually arisen. It merely provides for the reference of each dispute to the Registrar as it arises. It will therefore be necessary to amend the Act itself if the suggestion herein made were to be accepted.

V (3) (b) Modification of Arbitration Procedure

1. Mr. P. H. Banatwala:—(1) It is acknowledged on all hands that the present arbitration Rules are hardly sufficient to cover up all cases that often arise in their actual working. Cases are not uncommon where *ex parte* awards are required to be made against members who have gone to reside in neighbouring native state villages and yet the rules do not provide for the enforcement of such awards. These *ex parte* awards are like *ex parte* decrees for the purpose of execution and under ordinary law *ex parte* decrees are regarded as nullity and cannot be enforced in the courts of native states, even if there is the rule of international law to execute each other's decrees. This accounts for some of the awards remaining un-enforceable on the record of the society. Necessary provisions therefore are urgently required to be made for the enforcement of such awards.

(2) Another equally important matter that needs attention is the want of adequate provision for the service of summons in arbitration cases to members who have gone to reside in native states and other Colonies. The only provision that can be called to aid from the present rules is "The Service Registered Post"; but as the High Court has very recently remarked "The service by registered post is at any time a poor substitute for personal service"; and has gone so far to say that if the *ex parte* decree is passed, on a registered letter the delivery of which is refused by the addressee the court should at once set aside that decree and order a retrial on his merely representing to the court that he had not been offered the Postal Packet. The same fate is to be expected of the *ex parte* awards passed against members under similar circumstances. Such questions will always arise while going to execute the award against the property of the members if any, situated within British India. Adequate provisions should therefore be made for service in native states and Colonies to ensure due and legal service on the parties to the Arbitration Proceeding.

2. Rao Bahadur A. U. Malji:—Time has arrived when we should reconsider the present system of compulsory arbitration. While conducing so much to the savings of costly litigation in the civil court, the system has its disadvantageous side also to report and the comparative advantages have therefore to be taken into account in cementing the ground on which this fabric is made to stand. Whilst, therefore, fully recognising the concessions so wisely extended to the movement thus dissuading the people from litigious pursuits not unoften leading to a sort of gambling. It has to be remembered that the societies are not crippled in effecting speedy recoveries of their overdue loans. The movement has as its basis, a moral foundation resulting in material gains. In a way it is based on confidence engendered by a combination of a selected few and meant to improve the economic condition of the country. The money collected by such associations registered under the Act is, therefore, a sacred trust in the hands of their members and it is only in the fitness of things that such money should be recovered very soon. Government have also seen through these difficulties to some extent and have allowed recoveries as arrears of land revenue in the case of liquidated Societies. The procedure adopted for such recoveries also requires a reconsideration but the subject of the paper is in relation to recoveries in going concerns of registered Societies only.

2. The remedies provided in the case of these going concerns, in effect, take away the jurisdiction of Civil Courts and provide compulsory arbitration instead. While, therefore I fully concede the advantages of savings, these are in their present state sometimes likely to prove a remedy worse than the disease. The delay caused in the disposal of civil suits had to be removed but the rules have not substantially improved this condition. The Civil Court costs and the most inconvenient assistance to be obtained from the bailiffs and the attendance of the Honorary workers of the Society in the Civil Court have all to be encountered. There is no fixity of forum for this sort of relief and the selection of arbitrator and the notification of the appointment also causes delay. There is no remedy in the arbitration procedure for attachment or arrest before judgment. At times, this is most disadvantageous and may result in undue and fraudulent preference to outside creditors in the disposal of the property. A member may similarly leave the village and migrate to some other territory almost with all impunity. The law in vogue will therefore be found quite impotent at a point where it ought not to be such.

3. A warrant for the recovery of Societies' arrears must be a hanging sword on the head of the defaulter, except under very grave conditions such as failure of crops. Civil

Courts do not extend the indulgence of keeping the warrant pending until it is fully realised and most often the execution petitions are disposed of as soon as the first attempt has failed and they generally insist on successive applications leading to multiplicity of cost. Again, applications to Civil Court cannot be made by Post unless specially otherwise provided (order 3 Rule 1 Civil Procedure Code). Bearing in mind the fact, the real difficulties of Suitors begin only when after decree their success must bear fruits, I beg to suggest that:-

- (1) The exemption provided in Order 3 Rule 1, Civil Procedure Code should be obtained, thus saving pleaders' fees if the present system is continued
- (2) At least one or two arbitrators should every year be appointed for each District, and their appointments notified in the Government Gazette as in the case of Honorary Magistrates.
- (3) That the arbitrators should be invested with powers to attach or arrest before judgment or they should at least be authorised to issue precepts as provided in Section 46 of the Civil Procedure Code.
- (4) That instead of executing the awards through the Civil Court and bailiffs the Assistant Registrar of the Division should be authorised to issue such warrants himself and authorize recovery through the officers of the Society helped by the Inspectors of the financing institutions, whenever possible. In other words, the Chairman, the Secretary or the nominee of the Society may be charged with the execution of such warrants and these should attend to execution submitting monthly reports about the results achieved.
- (5) To ensure due execution, it is absolutely necessary to treat the persons charged with Execution of the Society's warrants, while they actually do so, as Public Servants within the meaning of Section 21 of the Indian Penal Code.

4. The above system does not lead to recovery through Revenue Officers and is not in any manner likely to be an engine of oppression. When hard cases will be carefully dealt with, with all indulgence, recalcitrancy will be greatly removed and substantially discouraged. The people will be taught to be self-reliant and to solve their own problems of difficulties under the benevolent control of the department and the notion that the movement is one managed by the state will be entirely dispelled.

5 A few more minor suggestions and I have done:—

- (a) At present the original awards are sent to the Societies concerned, without keeping any copy on the Registrar's file.
- (b) No returns for Execution are periodically demanded either by the financing agencies or by the Registrar.
- (c) The practice of transferring Execution of awards by one court to another as recognised in the case reported in 23 Bombay Law Reporter 909, is novel and leads to the unnecessary expenses of a fresh transfer under section 41 of the Civil Procedure Code, if the Executing Court has even once reported to the transferring Court the failure of Execution.
- (d) No separate register of awards is maintained in the records of the Society to enable any inspecting officer to at once grasp how the Society is situated in this behalf and no financing agency happens to know how many awards have remained unexecuted in its affiliated Societies.

6. I now hasten to suggest that these minor difficulties can be remedied if some such arrangement can be made as under:—

- (a) The original award must be placed in the record room of the Registrar or failing that, on the records of the financing agency and only a certified copy thereof should be supplied to the society concerned, so that in case of a loss of the copy, another copy can be struck from the original. At present, if the original award is lost somehow or other, either at

this end or the other, or in transit there is no remedy provided. No execution is possible without an award and perhaps the only alternative that can be tried is a fresh reference to arbitration.

- (b) The suggested returns are indispensable with a view to efficiency and scrutiny of the management and is likely to goad the defaulting office bearers of the Society to take active steps to execute the awards, which are otherwise often seen as merely part of the society-record.
- (c) The award should be executed by any court to which it may be presented, regard being had to the circumstances narrated in Section 20 of the Civil Procedure Code, for the competence of the Court to take cognizance of suit at their institution stage. This will save all difficulties of transfer and retransfer mentioned in Sections 38-41 of the Civil Procedure Code and obviate all costs.
- (d) The suggested register, if ordered, will be a very useful addition to the record so as to show the action taken by the Societies towards the recovery of the awarded sums.

7. I think I cannot sum up the note otherwise than by quoting a passage on page 63 para 67 of the Nira Canal Report :—

“However, I think it my duty to utter a word of caution viz. to attempt to do banking without special recovery powers, is certain to be a failure and with it to lose the best chance of creating agricultural Banks in those tracts of India, where they can safely operate and where they are so urgently required for the development of the vast agricultural resources of the Country”.

APPENDIX II
RESOLUTIONS OF THE BOMBAY PROVINCIAL CO-OPERATIVE
CONFERENCE, 1922.

Resolutions passed in open Conference.

Resolution No. I. Expression of Condolence on Sir Vithaldas Thackersey's Death.

The representatives of the Co-operative Movement of this Presidency assembled in this Conference express their profound sense of the loss to the Movement and the economic and industrial regeneration of the Presidency caused by the untimely death of Sir Vithaldas D. Thackersey and beg to extend their sincerest sympathy to his widow Lady Thackersey and his relations.

Resolution No. II. Approval of the Institute Building Scheme.

This Conference endorses the scheme for a Co-operative Institute Building to serve as a memorial to the late Sir Vithaldas Thackersey as decided at a public meeting held in Bombay on the 12th of September last and recommends all Co-operative Societies and all individual co-operators to subscribe to its support.

Resolution No. III. Protest against treatment given to Co-operative Movement in Italy.

This Conference has heard with grief the loss inflicted upon some of the Co-operative Organisations and individual co-operators in Italy and it joins the International Co-operative Alliance in its protest against the cruel treatment meted out to the movement by the Fascisti during the last two years and expresses a strong hope that the Fascisti Government will lose no time in making reparations to the Societies and the individuals that have been wronged.

Resolutions passed on the Reports of Sub-committees.

SUB-COMMITTEE No. 1.

Resolution No. IV. Debt Redemption Scheme.

That a Committee be appointed consisting of the Director of Agriculture, two representatives of the Provincial Bank, two of the District Banks and three representatives to be co-opted from the agricultural societies, and that the Committee should go through all the papers submitted to the Conference and the Registrar's Circular and submit its report thereon before the next Conference.

Resolution No. V. Liabilities of Central Banks.

That a Central Bank shall not incur liabilities uncovered by gilt-edged security beyond eight times the share capital and reserve fund; but for the purposes of this rule, gilt-edged securities not exceeding twice the paid-up share capital owned by a District Bank, and lodged with the Provincial Bank shall be treated as equivalent to assets; provided however that no Bank making use of this concession shall declare a dividend of more than 7 per cent. p. a.

Resolution No. VI. Levy of Inspection Fees.

That this Conference accepts the recommendations* made by the Conference of the Representatives of Central Banks held at Poona on the 20th September, 1922, pertaining to the provision of sufficient inspection, and the levy of inspection fees from primary societies; provided that the societies affiliated to Unions or to Taluka Associations which provide supervision shall, during the period of affiliation, be liable to only half the inspection fees.

Resolution No. VII. Transmission of Funds by R. T. R.

That this Conference accepts the suggestions made by the Committee appointed for the purpose by the Conference of the Representatives of Central Banks held at Poona on the 20th September, 1922, regarding concessions by Government for transmission of fund of registered societies and the extension of the internal arrangements for remittance.

Resolution No. VIII. Guaranteeing and Supervising Unions.

That this Conference recommends that a Committee consisting of the following be appointed to consider and report to the Registrar and the Institute within three months on the subject of the desirability of having Supervising Unions in addition to or in supersession of Guaranteeing Unions:—

- | | |
|--|---------------------------------------|
| (1) The Hon'ble Mr. Lalubhai Samaldas. | (4) Mr. B. K. Rashinkar of Tembhurni. |
| (2) Mr. Otto Rothfeld. | (5) Mr. V. L. Mehta. |
| (3) Dr. Harold H. Mann. | (6) Mr. D. A. Shah. |
| (7) Mr. D. K. Hosmani of Haveri. | |

* See Appendix XI.

SUB-COMMITTEE No. II.

Resolution No. IX. Co-operative Consolidation of Holdings.

1. That the Conference is of opinion that the consolidation of agricultural holdings is a matter of such importance in any effort to improve the condition of the rural population, that the energy of the co-operative movement can well be devoted to bringing about such consolidation by mutual consent wherever possible. This is more difficult in the Deccan, Konkan, and Southern Division on account of the extreme variation of the land, than in Gujarat and Sind; but every effort should be made in this direction.
2. That the Punjab system of voluntary co-operative societies for the purpose should be tried in a number of villages, if the people can be got to agree to this. But to bring this about will need very vigorous propaganda.
3. That the whole question of economic cultivation would be much simplified if co-operative farming could be extensively undertaken without interfering with actual ownership. Every effort should be made to obtain examples of such co-operative farming.
4. That beyond this it is suggested that an enabling law should be passed so that on the application of the owners of 75 per cent. of the land in a village the consolidation of the land should be undertaken and the scheme should be carried out subject to the consent of the owners of 75 per cent. of such land to the scheme suggested.
5. That the subject of the prevention of future sub-division and fragmentation, after such consolidation has been carried out, should be investigated by the Central Co-operative Institute through the primary societies affiliated to it with a view to exploring the scheme which would prove most acceptable to the rural communities.
6. That the question of consolidation need not wait for a decision on the question of the prevention of future sub-division.

Resolution No. X. Co-operative Cultivation Societies.

1. That the Conference desires to reiterate the resolution approved by the Conference last year (See page 55 of the Conference Report of 1922) recommending the formation of joint cultivation societies and note with satisfaction the experiments made in this direction.
2. That the experiment at Bhambora (see Dr. Mann's note*) based on the lease of land to an unlimited co-operative society for ten years and then cultivation of the land by individual cultivators on a batai system, the society supplying finance, bullocks and seed especially and undertaking permanent improvements, is worthy of consideration in the dry tracts. Such societies can probably be extended in such areas and the Conference would commend them to the consideration of co-operators generally.
3. That the experiment at Arjunsonda (Sholapur) of a limited co-operative cultivation Society with share capital—is also worthy of attention. In this case the society is in the nature of a limited company, the lands being leased to the society for twenty years. It is managed as a whole, but the owners have a share in the profits. It depends very largely on capable management by the Managing Committee, but the attention of co-operators may well be called to it.
4. That the Conference does not consider that these two types of society are the only ones likely to be successful and would recommend the encouragement of experiment in societies organised on other systems.
5. That where such societies are formed, the Conference is of opinion that appliances such as pumps and oil engines belonging to the Agricultural Department should be lent by preference to them.

Resolution No. XI. Tank Societies.

That the Conference endorses the proposal made by Mr. Huli that Government should be requested to hand over the second class irrigation tanks to the villagers concerned if they form a co-operative irrigation tank society and the amount of charges for repairs if collected by Government from the agriculturists should be given to the respective irrigation societies if they undertake to repair them.

Resolution No. XII. Irrigation Societies.

That the Conference considers that it is desirable that the work of distribution of water discharged by canals into distributaries should be entrusted to Co-operative Societies of Irrigators instead of, as at present, to the Irrigation Department.

* See Appendix I, p. XXVII.

Resolution No. XIII. Cattle Insurance.

That the Conference recommends that the question raised as to cattle insurance be referred to the Provincial Conference Committee for report to the next years' Conference.

Resolution No. XIV. Co-operative Taluka Associations.

1. That this Conference resolves that the Taluka Development Committees, and the local bodies contemplated by Government for the development of Agriculture in a Taluka should be combined and only one body for propaganda should exist in each Taluka provided that the by-laws and rules for such combined associations be framed by the Institute.

2. That bodies of the combined type should be formed wherever co-operative agricultural effort has created a demand for development, and that membership should not be entirely restricted to co-operative societies, though in most cases it will chiefly consist of these, and that co-operative societies should be recommended to lay aside a portion of their support where they are able to do so.

SUB-COMMITTEE No. III.

Resolution No. XV. Producers' Societies.

1. That in the opinion of this Conference, until the demand for financial aid is sufficient to justify the establishment of a special Bank or Banks, for the benefit of Producers' Societies, local, urban, Central, Provincial and District Banks may be encouraged to finance Producers' Societies.

2. That as the Sub-Committee could not come to any definite conclusion after much discussion, Mr. Potnis' paper (III-a)* should be referred to the Central Co-operative Institute for opinion.

3. That as the subject dealt with in paper (III-e.)† namely "Printing Press for Co-operative Societies" is still in its experimental stage; it may be tried in the Division where the necessity is felt and the recommendation may be made after it is sufficiently tried. The subject be therefore, dropped for the present for deliberation by the Conference.

4. That Mr. Potnis' paper ‡ as regards "Labourers' Societies" be referred to the Standing Committee of the Bombay Central Co-operative Institute.

SUB-COMMITTEE No. IV.

Resolution No. XVI. Buying Clubs.

That as a training in Consumers' Co-operation and a preliminary step to the formation of regular Co-operative stores, buying clubs or associations be actively promoted as unregistered bodies by the Co-operative Department and the Central Co-operative Institute.

Resolution No. XVII. Buying work by Credit Societies.

(b) That existing credit societies should also be allowed with the approval of the Registrar to work as buying clubs for the supply of household and other requirements of their members strictly on an indent basis, provided however that no financial responsibility is attached to such credit societies with respect to the new business of the buying clubs.

Resolution No. XVIII. Appointment of a Special Officer for informing Market Rates.

That the Bombay Central Co-operative Institute be requested to collect, if possible, information about market rates of prices useful to the Consumers' Societies, and to supply the information so collected to the affiliated societies and Buying Clubs, whenever required and periodically, provided that such societies are willing to contribute towards the cost of collecting the information.

Resolution No. XIX. Free Audit of Stores.

1. That the Registrar be requested to undertake compulsory free audit of Co-operative Stores Societies with a working capital not exceeding Rs. 10,000.

SUB-COMMITTEE No. V.

Resolution No. XXI. Development of Institute's Work.

1. That the paper § on the development of the work of the Bombay Central Co-operative Institute by Mr. R. N. Mehta be referred to the Institute for recommendation.

* See Appendix I, p. XXX.
† See Appendix I, p. XXXVII.

‡ See Appendix I, p. XXXIII.
§ See Appendix I, p. XLI.

tion and such action as the Institute may deem proper after consultation with the co-operative organisations concerned.

2. That in order to help the work of overcoming the growing evils of mismanagement and accumulation of overdues in village societies, the Branches of the Institute should draw up regular programmes of instruction and propaganda beginning especially with societies classed C and D and conduct it by well-educated and well paid secretaries under the guidance of Managing Committees and Honorary Organisers who should fit in their own programme with the tour of the Secretaries and draw up sketch lectures.

3. That the suggestions contained in paras 1 and 2 of the paper by Mr. K. B. Bhadrapur are generally approved and the Committee recommends that the Institute and the Government should join hands in engaging the services of competent and experienced co-operators to write books on co-operation in the vernaculars of the Presidency.

Resolution No. XXI. Transference of Registrar's Functions.

That the report * made by the Committee appointed by the last Conference (1922) to consider the transference of certain functions of the Registrar be approved.

SUB-COMMITTEE No. VI.

Resolution No. XXII. Legislation against Alienation by Borrowing Members.

That legislation invalidating alienations of property by borrowing members of a society without the sanction of such society is unnecessary.

Resolution No. XXIII. Enforcement of Exparte Awards in Foreign Territory

That as the law stands at present no special provision for the enforcement of exparte awards in foreign territory can possibly be made.

Resolution No. XXIV. Arbitration Procedure

That with reference to the suggestions made in connection with (a) the incorporation of the provisions of the Civil Procedure Code regarding service of summons in the Arbitration Rules in addition to the existing provisions, (b) the appointment of an officer to execute decrees of liquidators and arbitrators, (c) the appointment of permanent arbitrators for each district, and (d) the modification of arbitration procedure generally, in view of the importance and the complicated nature of the matters in question and also in view of the insufficiency of time at the disposal of the Conference, the questions be referred to a special committee consisting of Rao Bahadur A. U. Malji, Messrs. G. P. Murdeshwar, Natwarlal M. Desai, D. L. Umarwadia, P. H. Banatwala, B. V. Jadhav, Narayan Ramchandra Jambhekar of Islampur, and F. T. Nalvadi of Dharwar, with a request that a report be submitted within two months to the Standing Committee of the Institute for necessary action.

Resolution No. XXV. Change in the Rules of the Constitution of the Provincial Co-operative Conference

1. That the Conference Committee and the Committee for taking action on the Conference Resolutions be the same and be constituted of the members of the Standing Committee, the Registrar of Co-operative Societies and the Director of Agriculture, with power to co-opt three other members if considered necessary.

2. That the Taluka Branch and also the District Branch if any of the Institute be entitled to send one delegate to the Conference and that each local Branch whether Taluka, District or Divisional be allotted double the number of delegates that is ordinarily allotted to it, provided it falls within the place where there is the sitting of the Provincial Conference.

* See Appendix III.

APPENDIX III.

Report of the Committee appointed by the Conference of 1921 to consider the Transference of certain Functions of the Registrar.

Present :—Mr. G. K. Devdhar, Mr. R. M. Sane,
 Rao Bahadur A. U. Malji, Mr. Vaikunth L. Mehta,
 Rao Bahadur R. G. Naik, The Registrar, C. S., B. P.

The following resolutions were unanimously arrived at :—

(1) Societies should be advised to forward any bye-laws involving any change in principle to the Institute in the first instance before sending them up to the Registrar for registration. It is also agreed that when societies send up such amendments direct to the Registrar, he will himself forward them to the Institute for opinion.

Proviso :—This resolution will not apply to amendments of a technical nature such as raising financial limit, changing areas of villages, or bye-laws of a similar nature. In such cases District Banks may advise societies to consult them in the first instance.

(2) It is agreed by all that the present arbitration system leaves much to be desired, but it is not possible at the present moment to suggest any better method for dealing with the defects. The Branches of the Institute will, however, be requested to ask their members while touring through definite areas to watch the execution of arbitration decrees and bring to notice any delays on the part of arbitrators. In the case of Unions, before cancellation, the Registrar now consults the Provincial Bank if the Union is affiliated to it. It is resolved that a similar procedure shall be followed by Assistant Registrars in the case of Unions affiliated to District Banks before submitting the papers to the Registrar.

(3) Resolved that societies should be informed by a circular that if they are dissatisfied with the audit classification assigned them, they have a right to apply to the Assistant Registrar for revision of the same. The Assistant Registrar may before deciding the application take the opinion of the District Bank or Branch of the Institute if they have enquired into the subject.

(4) Resolved that the Registrar should invite suggestions from the Institute for names of gentlemen to be appointed as Honorary Organizers or Assistant Honorary Organizers when there is a vacancy before submitting his selections to Government. The general problem of the absorption of Honorary Organizers into the Institute or the Central Banks or both should be postponed and left for further discussion by the Institute or its Conference.

(5) Resolved that model bye-laws must continue to be drafted and issued by the Registrar, but that before issuing any new model bye-laws or modifications in existing models, the Registrar shall consult the Institute and obtain its opinions. It is to be noted that no society is necessarily bound to follow any model bye-laws in whole or in part.

(6) Resolved that remarks made by the Registrar or by Government, if any, on the Quarterly Financial Statements of the Banks, should be communicated by the Registrar to the Provincial Bank.

(7) Resolved that in the case of enquiries under Section 35 of the Act into any society classed as a Bank, the Registrar, unless he makes the enquiry himself, should invite the Provincial Bank to allow him to appoint its Managing Director or other selected officer of the Provincial Bank to be the enquiring officer.

(8) Resolved that any representations to be made to Government in regard to the date of the co-operative year must be made by the Institute and the financial bodies concerned and that the Institute should therefore take steps to obtain opinions.

(9) Resolved that Watandar Kulkarnis as such should not be wholly debarred from holding office in co-operative societies.

(10) Resolved that the matter re: division of profits may be dropped in the meantime in view of the impending revision of the rules and the Act.

POONA, 20th July, 1922.

APPENDIX IV.

Proceedings of the meeting of the members interested in the Konkan Branch held on the 10th December 1922 at 9 p. m. at the Servants of India Society's Home.

Present. Mr. G. K. Devadhar in the chair. 2. Rao Bahadur S. S. Talmaki, 3. Messrs Y. G. Gurjar of Alibag, 4. R. G. Mainkar of Kharepatan, 5. C. M. Amin of Thana, 6. Keshavalal Bababhai of Alibag, 7. P. K. Jambhekar, 8. V. S. Dhapre of Khatalwada, 9. B. D. Rajwade of Agashi, 10. V. K. Sanjanwalla of Umbargao, 11. P. V. Gotaskar, 12. S. H. Talvalkar, 13. Mr. L. S. Potnis.

The affairs of the Konkan Branch were discussed and the following resolutions were adopted.

1. That each of the Districts of the Konkan Branch should have a separate District Organisation known as the District Committee as a unit for the work of the Institute in the district in its charge.

2. That a Federation of the three District Committees known as the Konkan Branch should be formed and located in Bombay.

3. Each District Committee should determine its own head quarters.

4. The Divisional Committee should meet at least twice a year—possibly in November and April.

5. That the following gentlemen should take steps to form District Committees within a month from the date of receipt of the draft rules by calling meetings in the districts:—

1. Mr. Mainkar in Ratnagiri District.
2. Mr. Vithaldas Sanjanwala in Thana District.
3. Mr. Krishnaji Laxman Datar of Avas in Kolaba District.

6. That in view of the undeveloped condition of the Konkan districts it was suggested that the 1/3 contribution of the subscriptions to be paid to the Head Office of the Central Institute should be used for the maintenance of the Federated Office of the Konkan Branch and a recommendation should be made to the effect to the Standing Committee of the Institute.

7. That the co-operative workers in each district should assist in the work of the cooperative enquiry proposed to be made in the three districts of the Konkan Branch.

 APPENDIX V.

Proceedings of the Magic Lantern Exhibition given to the delegates in the Conference Hall on Monday the 11th December 1922 at 6-30. p. m.

1. The representative of Messrs. Lawrence and Mayo gave a demonstration of the Globoscope Lantern which enables pictures and other opaque objects to be projected on the screen.

2. Photographs demonstrating the old and the new methods of agriculture were then projected on the screen with the help of the Globoscope and explained by Mr. Gokhale, Director of Agriculture, Konkan Division.

3. Mr. Y. G. Gurjar then gave a lecture on co-operative stores with the help of the slides prepared by him on the subject on Newton's Magic Lantern.

4. Mr. V. S. Toro, B. A., Dy. Educational Inspector for Visual Instruction then gave a lecture on Life and Manners in Japan with the help of the slides belonging to his Department on Newton's Magic Lantern.

A vote of thanks to all the above named persons terminated the proceedings.

APPENDIX VI.

**Proceedings of the meeting of the persons interested in the Night
School work held on 11-12-22 at 6 p. m. at the
Servants of India Society's Home.**

Present:—Messrs. 1. G. K. Devdhar (in the chair). 2. S. S. Talmaki. 3. P. C. Kelkar. 4. Y. G. Gurjar. 5. G. G. Kale. 6. Y. R. Muzumdar. 7. R. D. Kanani, Registrar C. S. Bhavanagar. 8. P. K. Jambhekar. 9. R. G. Mainkar. 10. S. G. Devrukhkar. 11. D. N. Deshmukh. 12. P. B. Gothaskar.

The details of the provision of funds for the conduct of the night schools from the estate of the late Sir Vithaldas not being known, the meeting deferred discussion on the subject of Night Schools and discussed matters relating to the work of magic lantern assigned to the Night School Inspectors as a part of Adult Education.

1. Both the Inspectors reported that they have been taught the manipulation of the magic lantern by Mr. Toro and that each of them would be given charge of a magic lantern and one of them has actually received the same and the other will later take charge at Dharwar.

2. The meeting expressed that the Inspectors be requested to invite the local Hon. Organisers to accompany them while giving lantern demonstrations with a view to the latter being ultimately trained in that work.

3. The Inspectors were also requested to get themselves initiated in the art of photography so as to take snapshots of rural scenes relating to the life of the people, their habits, their occupations their housing conditions, and sanitation and other matters, relating to the village.

4. The Inspectors were also requested to prepare a few topics on education, sanitation, agriculture and co-operation with a view to the preparation of slides through the respective departments suited to rural conditions and they were asked to report when they would have equipped themselves with the knowledge of photography.

APPENDIX VII.

Discussion on Sir Vithaldas Memorial Fund Scheme.

After the regular work of the Conference was over, the members met again for going through the remaining items mentioned in the supplementary programme. Mr. Devadhar, the Vice-President, explained in detail the scheme of the Sir Vithaldas Memorial Building. He explained the details of the building, its floors, their uses, and the project of starting a co-operators' club on self-supporting basis, and mentioned that the cost was estimated to come to Rs. 3,00,000. He further described how the fund was to be collected. He informed the delegates that receipts will be printed containing a photo of the building and of Sir Vithaldas and will be supplied to all those engaged in collection for receiving minor contributions or subscriptions by the members of the Co-operative Societies throughout the Presidency and he requested all those present to do their best in helping the work of collection. Mr. Devadhar also invited the attention of the members to the copies of appeal in English as well as in Gujrati for the collection of the fund circulated at the Conference, and hoped that its wider circulation would facilitate the collection of the fund. The same had been published in the Sahakari Mitra in Marathi. He also invited the members present to make suggestions on the subject. Mr. Gurjar suggested that the appeal should be printed in all the languages. Mr. Palkar suggested that the lowest subscriptions should be fixed at annas four. Mr. Devadhar promised on behalf of the Committee to give due consideration to these suggestions.

APPENDIX VIII.

Discussion on Interprovincial Conferences, Visits and Exchange of Views &c. on Co-operation.

The Hon. Secretary, explained the scheme and the response so far received from those to whom it was communicated. In the course of his remarks, he said that the proposal first originated from a circular letter dated 25th of May 1922, addressed by him to all the leading co-operators, official and non-official, in India and Burma. The suggestions in the letter were to the following effect :—

1. An All-India Conference to be held periodically, say once in two or three years, consisting of a small number of select representatives, not more than 4 in number from each province or state, and not more than half of them to be officials if they care to attend, and the rest to be representatives of non-official bodies.
2. Interprovincial visits by small parties of selected representatives of as many provinces and states as would agree to take part in such visits.
3. Interprovincial exchange of notes recording views and experiences regarding practice and procedure, the financial, commercial and administrative methods of different kinds of co-operative organisations, and their working, defects and advantages.
4. Small periodical Conferences in vernacular by all the districts in different provinces and states speaking a common language, the number of representatives being not more than two from each district.

He explained that the Conferences were to be on as small a scale as possible so as to ensure businesslike proceedings. They were not intended for propaganda as other Conferences are. As regards parties for visits, he did not expect all the Provinces to form a party simultaneously. What he had in view was that when any party was organised in any Province, it should give to the rest notice of the programme of the proposed visit, so that the latter would then be in a position to prepare local programmes that would be required for the party. The last suggestion did not concern the North Indian Provinces and Bengal where only one language is spoken, but it referred to the Provinces lying to the Southern part of the Vindhya mountains, where several languages are spoken. He then referred to the replies received from several quarters such from the Registrar of Co-operative Societies of Bengal, Assam, Burma, Madras, Travencore and Cochin and from other private persons or bodies. All of them gave favourable replies to the proposal, but the difficulty pointed out by the Madras Registrar deserved consideration. That officer points out that the financial aspect of the proposal is the most important, and it would be difficult to persuade Government under the present financial stress to make a subvention for the purpose, and that non-official organisations were not strong enough to provide the expenses. He (the Secretary) said the third suggestion viz. Interprovincial exchange of Notes was, however the least expensive item in the whole programme and did not apprehend any objection to it from any quarter, and would suggest that it be taken up at once if other items of work were not practicable immediately.

With a view to have a formal talk on the subject, and if possible and necessary to appoint a small Committee to further consider the question after consulting those from whom replies were not received, he had invited all the gentlemen from whom replies were received to attend our Provincial Conference in the hope that during its session an opportunity would be afforded of formally discussing the subject. It, however, appears that the invitations reached somewhat late and consequently there was not a good response. He, (the Secretary) therefore, suggested that the subject may be taken up at the next year's Conference to be held at Poona in about September next and promised that steps would be taken to issue invitations in good time, and to call for opinions from those from whom replies were not received.

In this connection he felt it necessary to express the views communicated to him by a leading personality in the course of a talk he had with him recently on the subject. That gentleman had no objection to visits and private interchange of views which he always encouraged. But he feared an interprovincial Conference might lead to some misunderstanding. What seemed to be at the back of his mind was that every province is so wedded to specific views in certain matters and may not relish adverse criticism from others. He (the Secretary) thought that the views of such Conferences had no binding force on any; they were intended merely for interchange of views and experiences, and if every one who attended the Conferences realised this, there would be no scope for misunderstanding.

The members present were then invited to offer remarks on the subject. Many of them concurred in the view of holding the Conferences in Vernacular on behalf of all the districts speaking a common language, and that the proposal should be placed before all the Divisional Branches of the Institute for being acted upon so far as the Bombay Presidency is concerned. With regard to the other points they all agreed that their consideration may be held over as suggested by the Secretary. Some members suggested that a summary of all the replies received on the subject from the several persons may be published. The Secretary promised to consider the suggestion.

APPENDIX IX.

Proceedings of the meeting held at the Servants of India Society's Home at 9 p. m. on 12-12-22 for discussing steps to be taken for starting a Whole Sale Agency for Co-operative Stores.

Present:—Messrs. G. K. Devadhar (in the chair). 2. Rao Bahadur S. S. Talmaki, 3. Messrs. S. G. Devulkar, 4. Gokhale, 5. Deshmukha, 6. R. N. Rajadnya, 7. L. S. Potnis, 8. Y. G. Gurjar, 9. H. L. Kaji, 10 J. C. Nanavati.

In the course of the discussion it was observed that the Whole Sale society started in Bombay two years back failed for following reasons: (a) For want of a competent manager. (b) Railway difficulties. (c) Disloyalty of member societies. (d) Want of cash credit.

It was suggested that at the start business may be done on the lines of the Namdev Co-operative Agency. It was however pointed out that this Agency has large outstandings against the members on account of credits given by it. On the other hand if credit had not been given 3/4ths of the members would have failed to place orders with the Agency.

It was resolved that before considering the method of work information be collected by the Hon. Secretary of the Institute regarding

- (a) The No. of present stores.
- (b) The place where they are located.
- (c) The distance from Bombay and the distance from the nearest Railway Station to the stores.
- (d) The amount of different articles ordered at present by them from Bombay and the Agency through which they are ordered.
- (e) The smallest quantity required for placing a whole sale order.

Mention was also made regarding the efforts made by Mr. Devadhar for supplying yarn through Mill owners to groups of Weavers' Societies.

After collecting the information in a tabulated form it should be placed by the Standing Committee of the Institute before a meeting of the persons interested in the measure and also those likely to be helpful in starting the Agency. The report of such Committee, when ready, should be considered.

APPENDIX X.

Minutes of the meeting held at the Institute Office at 1-30 p. m. to consider the question regarding whole-sale society for sale of agriculturists' produce.

Present:—1. Mr. G. K. Devadhar. (in the chair) 2. Mr. L. S. Potnis. 3. Mr. Y. G. Gurjar. 4. Mr. S. A. Nadkarni. 5. Mr. R. N. Rajadnya. 6. Mr. R. N. Mehta. 7. Rao Bahadur S. S. Talmaki. 8. Mr. F. T. Nalvadi. 9. Mr. Deshmukh of Pathardi. 10. Mr. D. V. Pradhan. 11. Mr. R. G. Azimkar. 12. Khan Saheb Prudkhan. 13. Mr. T. B.

Hiregouder of Hulkoti. 14. Mr. N. P. Bhagwat. 15. Mr. M. C. Kori of Bijapur. 16. Mr. K. B. Gujar of Alibag. 17. Kevalram D. Shahani of Hyderabad (Sind). 18. Mr. D. A. Shah.

In the course of the discussion it was observed that the Cotton Sale Societies had experienced difficulties in establishing direct connection with the Bombay Market. Though some Mill owners' agents had attended the auction sales of these societies, later on they have ceased to attend them, perhaps on being pointed out to them by the local dealers that their presence tended to raise the prices.

Potatoes and other agricultural produce were also mentioned in the meeting as requiring help for collective sale, but no sale society has yet been organised for bulking the produce except in the case of cotton.

Resolved that effort should be made for starting a Wholesale Agency in the first instance in the case of such produce for the bulking of which societies have already been started, and that the Hon. Secretary be requested to ascertain from various societies through the channel of the Institute's Magazines the classes of articles which require help for collective sale, the quantities of such articles, and such other information as may be necessary and useful for the purposes of such inquiry.

APPENDIX XI.

Resolutions of Central Bank's Conference held at Poona on 20-9-22.

I. Resolved that all are in favour of extended supervision which is urgently required, and all are of opinion that this supervision must be given by inspection by trained Inspectors employed by the District Banks of the Provincial Bank, as the case may be.

Resolved that the most equitable method of meeting the additional charges entailed by the maintenance of proper Inspectors appears to be that followed in Broach, viz., that at the end of the year the inspection charges shall be divided into two equal proportions A and B. A will be met by Banks out of its own funds and B will be divided among the affiliated societies in the District in proportion to their profits, such societies as have made no profits contributing a fixed sum of one rupee per annum. In Broach societies in Unions are not being charged, but this exemption does not meet with general approval and will be reconsidered after the Provincial Conference. Although, however, this system appears the most equitable, yet District Banks shall be free to propose for the consideration of the Registrar in consultation with the Provincial Bank any system of surcharging interest for the purpose of providing inspection on conditions that favourable terms of interest shall be given to A and B societies also approved by the Inspector of the Bank, that rebates shall be given for prompt payment, and that the highest rate of interest charged shall not be excessive.

Resolved also that the suggestion is approved that in cases when at the close of the year the District Bank finds that after defraying the cost of inspection to be met from its own funds it is unable to pay a dividend of more than 6½ per cent. to shareholders, then half of the amount shall be provided by contributions from Government and the Provincial Bank.

Resolved that the Inspectors must be men of a sufficiently educated and business-like stamp, with training in co-operation and Banking, and that they should be recruited on a standard of about one Inspector to 80 societies at the most.

Action according to these resolutions shall be taken by District Banks as early as possible, subject to the approval of a general meeting called for the purpose, which shall frame the necessary bye-laws.

II. Resolved that a committee be appointed of—

Mr. G. K. Devdhar,
Mr. Vaikunth L. Mehta,
Mr. C. M. Gandhi, M. L. C.,
Rao Bahadur G. K. Chitale, M. L. C.,

to draft a representation to Government on the subject of the continuance of free R. T. Rs. to the Co-operative Movement and of the grant of other concessions such as concessional rate for supply bills, and that the said committee shall also consider the methods to

be employed within the co-operative movement for conducting its business in bills of exchange and in generally extending its banking work even if these concessions should be curtailed or withdrawn and to report to the Registrar within a month for communication to all District Banks.

III. Resolved that further consideration of the raising of limits of liabilities as proposed by the Poona and the Sind Central Banks shall stand over for further discussion at the Provincial Conference, taking into account the arguments advanced at the meeting. Before the Conference, all District Banks are requested to furnish the Institute with their views on the subject which will be circulated along with other notes for the conference.

IV. Resolved that loans or overdrafts in current account may be sanctioned by Central Banks on the security of fixed deposits placed in the respective banks; such advances to be made up to limits upto exceeding 75 per cent. of the deposits and for periods of three months or less, on expiry of which the banks should be at liberty to recall them.

V. Resolved that the further question of District Banks advancing loans on the security of Government paper to individuals be deferred till the Provincial Conference.

APPENDIX XII.

Minutes of the meeting of the Representatives of Central Bank held at the Registered Office of the Bank, on Wednesday the 13th December, 1922, at 4 P. M., when the following members were present :—

1. The Hon'ble Mr. Lalubhai Samaldas, C. I. E., *Chirman.*
2. Otto Rothfeld, Esqr., I. C. S., M. L. C., Registrar, C. S.
3. B. F. Madon, Esqr.
4. R. M. Sane, Esqr.
5. G. K. Deodhar, Esqr., M. A.
6. Raja Saheb Shambhusing Jadhavrao of Malegaon.
7. Khan Saheb Azimkhan,—Asst. Registrar, C. S., Sind.
8. Kewalram, Esqr.,—Representative of Hyderabad Dist. Bank.
9. B. D. Annigeri, Esqr.,—East Khandesh C. C. Bank, Ltd.
10. S. Y. Sontake, Esqr. " " " " "
11. Chimanlal H. Desai, Esqr., Chairman, Broach C. C. Bank, Ltd.
12. N. K. Desai, Esqr., Director of Broach C. C. Bank, Ltd.
13. Bhagavandas B. Shroff, Esqr., Surat C. C. Bank, Ltd.
14. R. W. Patwardhan, Esqr., Special Mamlatdar, Baramati.
15. M. Y. Joshi, Esqr., Manager, Nagar C. C. Bank, Ltd.
16. R. G. Mainkar, Esqr., Hon. Organizer, Kharepatan.
17. V. M. Bakre, Esqr., District C. C. Bank, Ltd., Belgaum.
18. R. N. Rajadnya, Esqr., Hon. Organizer, Islampur.
19. S. G. Devrukhkar, Esqr., Bombay.
20. V. P. Chavdi, Esqr., Managing Director, Gadag C. C. Bank, Ltd.
21. C. B. Huli, Esqr., Assistant Registrar, S. D., Dharwar.
22. D. A. Shah, Esqr., " " " " N. D., Surat.
23. S. K. Hosmani, Esqr., Karnatak C. C. Bank, Haveri Branch.
24. Devan Bahadur Menisinkai, Chairman, Karnatak C. C. Bank.
25. N. P. Bhagawat, Esqr., Asst. Registrar, C. D., Poona.
26. R. B. Raghavendraro Kambhavi, Esqr., Chairman, District Bank, Bijapur.
27. K. R. Valvekar, Esqr., Chairman, Hubli Urban C. Bank, Ltd.
28. Sangapa Sar-Desai, Esqr., Director, Bijapur Bank, Ltd.
29. R. R. Kesapande, Esqr., Director, Sholapur C. C. Bank, Ltd.,
30. B. K. Rashinker, Esqr. " " " "
31. M. R. Godbole, Esqr., Dist. Hon. Organizer, Sholapur.
32. Rao Bahadur S. S. Talmaki, Hon. Secretary, Central Co-operative Institute.
33. L. S. Potnis, Esqr., Asst. Registrar, B. D., Bombay.
34. Prof. H. L. Kaji.

At the outset, the Chairman explained the object of convening the meeting and hoped that as the Bank gradually assumed the shape of an apex federation of Central Bank, meetings like this would become more frequent and more regular. He welcomed the delegates of Central Banks and hoped that as a result of their deliberations they would be able to arrive at some satisfactory arrangements in regard to mutual relations and finance.

Resolution—I.

The meeting next considered the question of electing Representatives of Central Banks on the Committee appointed at the Provincial Conference to consider the preparation of schemes for liquidation of old debts. The following nominations were accepted by the meeting :—

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|---|-------------------------------------|
| 1. The Hon'ble Mr. Lalubhai Samaldas, C. I. E.... | } to represent the Provincial Bank. |
| 2. Rao Bahadur A. U. Malji, | |
| 1. Mr. R. M. Sane, | } to represent Central Banks. |
| 2. Mr. F. T. Nalavde, | |

Resolution—II.

The next item on the Agenda was the issue of fresh Share Capital and the introduction of affiliation rules. The Chairman explained the proposals of the Bank, and after discussion the following resolutions were unanimously adopted :—

1. That all Central Banks should subscribe to the Share Capital of the Provincial Bank to the extent of 2-1-10th of their paid-up Share Capital.
2. That Urban Banks and Primary Societies dealing with the Bank should also be approached to contribute to the Share Capital of the Bank, but that no standard of contribution need be prescribed.
3. That in view of the acceptance of the principle of contribution to the share capital by Central Banks, the Board of the Provincial Bank be re-constituted on a representative basis. Further, that, until the system of representation was introduced in the bye-laws, the following should be the scheme of representation :—
 - (a) 6 Directors to represent individual shareholders.
 - (b) 4 Directors to represent affiliated Central Banks one for each division.
 - (c) 1 Director to represent affiliated Urban Societies.
 - (d) 1 Director to represent affiliated Primary Societies.
4. That in view of the fact that the bye-laws of the Bank provided for a share-holder holding votes equal to the number of shares owned by him and the proposed amendment of the Bye-laws enabling Share-holding Societies to send delegates to the General Meeting of the Bank no special provision was required in respect of the representation of Central Banks at the General Meeting.

Resolution—III.

The meeting next considered the question whether the existing basis for grant of credits by the Provincial Bank to Central Banks in proportion to owned capital was satisfactory. The following resolution was adopted :—

That the present system appeared to suit the requirements of the Central Banks and no change was necessary.

Resolution—IV.

The next subject for the consideration was Devan Bahadur Mensinkai's proposal regarding the determination of the rate of interest on advances to District Banks. A note on the subject received from the Karnatak Central Bank was read and after some discussion the following resolution was passed :—

That the question might be brought up for consideration at the next meeting when the Provincial Bank would be prepared to favour a reduction if in the meanwhile the condition of the money market enables the Bank to reduce its own rates of interest on borrowings.

Resolution—V.

The meeting next considered the suggestion of Devan Bahadur Mensinkai on the possibility of securing uniformity in rates of interest on deposits among Central or Urban Banks in a particular locality. The following resolution was adopted:—

That it was not possible to prescribe uniform rates for banks in particular localities although it was open for such banks to arrive at some mutual understanding on the question.

Resolution—VI.

The next item on the agenda was the question whether a definite standard could be suggested for fluid resource in Central Banks. At the outset, it was suggested that the liabilities of the Bank should be divided under two headings—(1) Liabilities payable at call or on demand, and (2) Liabilities maturing on fixed dates or on fixed notice. The practice of commercial banks in both these respects was explained by Mr. Madon and he detailed the arrangements necessary to meet demand calls. After full discussion, the following arrangements were accepted in relation to fluid resource to meet liabilities payable at call or on demand:—

1. That some distinction might be observed between call liabilities to co-operative Institutions and to outsiders.
2. That for the former class of liabilities Central Banks should provide fluid resource upto at least 50% of the amounts held on any day.
3. That for the latter type of liabilities, Central Banks should make provision upto a limit of 66 $\frac{2}{3}$ % of the amount held.
4. That half of the provision should be held in cash and half in gilt-edged securities.
5. That for purposes of this resolution cash would include balances in account held in a local co-operative or joint-stock bank.
6. That the gilt-edged securities referred to in resolution 4 would be held in safe custody at the Provincial Bank, as security for overdraft or cash credit.

Other Questions.

The question of fluid resource for fixed borrowings and the other questions on the Agenda could not be taken up for consideration for want of time.

The meeting then dispersed after it had been announced that the other questions would be taken up at the next year's Conference.

APPENDIX XIII.**Brief Report of the Co-operative Products Exhibition.**

At the Poona Session of the Provincial Co-operative Conference in September 1922, held for the first time under the auspices of the Central Co-operative Institute, Bombay, a new and desirable feature was the holding of a joint session of the Co-operative and Agricultural Conferences. Credit Societies had well increased in numbers and strength and the problem of one of the chief factors of the well-being of the agriculturists of the Country—facilities for borrowing capital at reasonable rates—was being satisfactorily tackled. Co-operative Banking was fast spreading. It was time that attention was turned to the other requirements of agriculturists and to the need of organising Co-operative societies to supply them. Joint Cultivation Societies, manure and seed societies and others of a like type were urgently needed if agriculture in India was to be organised on a sound basis. Co-ordination of efforts between the two Departments of Co-operation and Agriculture, the one supplying the organisation, the other the technical skill and knowledge was very necessary and the holding of a joint session at Poona was quite the right thing at the right time.

This time, it was felt that other forms of co-operative activity and effort needed a sort of an advertisement; merely passing resolutions and recording opinions about Distributive and Industrial Co-operation as at previous Conferences and that too in a short-space of time not proportionate at all to their great importance in the co-operative scheme of affairs, was surely not enough. The slow growth of these phases of the Co-operative Movement and the failures that naturally attended these complex forms in the early stages of their introduction in a country where the general level of education was much below the European standard, weakened the faith of many and organisers preferred to run on the beaten paths of Credit Co-operation to the dangerous reefs and unknown waters of the Consumers' and the Producers' Movement. A stimulant was therefore considered very necessary and the Central Co-operative Institute launched upon the scheme of holding an Exhibition of Co-operative Products, making the term elastic enough to include products of individual members of Co-operative Credit Societies also. The Registrar heartily supported the idea and promised to help in carrying it out successfully. The Registrars of various provinces in India were addressed and most of them warmly endorsed the idea; but distance in some cases, transport charges in others, short notice in yet other cases prevented several of them from giving an adequate response. The success of the scheme was secured financially, though rather late, by the generous support of the Weavers' Guild of Sholapur and the munificence of Sir Fazulbhoy Currimbhoy, Kt. Unfortunately we were not sure even of a suitable response from the societies of our own Presidency. As the day fixed for opening the Exhibition however approached, circular letters were sent round by the Exhibition Committee, the Department mustered its forces, and the energies of the workers and the activities of Departmental officers overcame the inertia of societies.

On the first day of the Conference at the request of Prof. Kaji, Secretary of the Exhibition Committee, the Hon. Mr. C. V. Mehta opened the Exhibition. The Exhibits were arranged neatly in groups in the Laboratory Hall of the Royal Institute of Science, Bombay, the walls proclaiming the Co-operative faith by suitable mottos, encouraging the visitors by graphical representations of the growth of the Co-operative Movement in the Presidency and revealing the progress of Co-operative Housing in Bombay by plans and photographs. The Exhibits numbered more than 3000 from about a hundred societies, chiefly from the Bombay Presidency, H. E. H. the Nizam's Dominions, the Punjab and Mysore, though Madras and the United Provinces also had some exhibits to send. The greatest cottage industry of India, handloom weaving was doubtless the central feature, the silks from the Punjab and Hyderabad, khans from Hubli, cotton saris from Sholapur, carpets and khes from Navalgund and the Punjab being particularly in evidence. Other artistic crafts however were not invisible. The Bidari ware from Hyderabad, lacquer ware from Sind, sandalwood work from Mysore, caskets and jewellery from the Bombay goldsmiths arrested attention. There were also exhibits from the Bombay Co-operative Foundry, the Co-operative Soap Factory, the Malvan Potter's Society, the Satara Leather workers' Society and many others which drew notice. A band of volunteers was organised and placed under Mr. F. V. Shah, B. A. the Industrial Organiser. These acted as salesmen where the exhibiting societies had not sent any special representatives.

There was a fairly good attendance of visitors to the Exhibition, every evening, the total exceeding 2000. Greater publicity would we feel have increased the number of visitors still more. The sales however have been satisfactory, being about 50% of the total value of the Exhibits.

We believe the Exhibition has been a success, and has served a very useful purpose. It has brought the producer in better touch with the market enabling a better adjustment to the wants of consumers. It has suggested and enabled arrangements to be made for the sale of the products turned out by the Producers' Societies on a commission basis at 7½%, and for the purchase of the requirements of retail co-operative stores at practically wholesale rates. It has revealed the need for a vigorous propaganda, and for greater Government help and patronage and it has strengthened the faith of the Co-operator in the possibilities of the movement in improving the economic condition of the small producer.

The Co-operative Products Exhibition, we hope will bear good fruit soon by energising the co-operative missionaries in their labour of love of spreading the Faith on to the struggling masses at the lower end of society and by stimulating the upper end to

financially assist them in their efforts. We trust other provinces in India will follow and hold similar All-India Co-operative Exhibitions which stimulate and educate more vividly than any mere lectures or discussions.

APPENDIX XIV.

Report of the Committee appointed for taking action on the Resolutions of the Provincial Co-operative Conference, 1921.

We have the honour to submit the following report on the action taken in accordance with the resolutions passed at the last Conference.

I. (1) Primary Agricultural Societies.

A circular in accordance with the resolutions 1 & 2 was issued by the Provincial Bank and has had some, though still regrettably small, results. A circular in accordance with resolution 3 was issued by the Registrar. It met with no response for some eight months but in the last four months about three dozen societies have commenced to keep Savings Bank deposits, and the departmental officials are doing their best to spread the movement. Much more attention to the subject is still required from the Branches of the Institute and the Honorary Organisers. Under resolution 4 a form was prepared for the use of Unions and circulated.

(2.) Central Agencies for Finance and Supervision.

Unions have not been discouraged but there appears to be no active desire on the part of the rural co-operators to start more Guaranteeing Unions at present, and the subject is again being placed before the present Conference in view of the actual situation. District Banks have now in practically all cases appointed Inspectors, though in some cases they are not sufficiently qualified or are otherwise inadequate, and the Provincial Bank has agreed and Government is being approached to assist in their maintenance under certain conditions.

(3.) General Aspects.

The policy laid down for the redemption of old debts is being followed. Unions were empowered to purchase goods and sell produce as desired. But none of them appears to have made use of the powers in spite of various circulars. The suggestions in regard to Tagavi were adopted in the main by the Government with the further generous addition of large advances to the Bombay Central Bank for the purpose and the rules were published in the "Gazette" on the 4th July, 1922. The details of the working of the system have been now discussed and in the main settled with the Provincial Bank. For enquiry into the special difficulties of famine tracts two small committees have been appointed for Ahmadnagar and Bijapur and a questionnaire prepared. Their reports have, however, not yet been received.

II. Correlation of Co-operation with Agriculture.

I. Two societies of the kind desired have been started, one at Bhambora in Ahmadnagar and one at Arjunsonda in Sholapur District. Both appear to be doing well but it is still too early to offer a definite opinion. A draft of model bye-laws prepared for Land Improvement Societies by the Registrar is under the Institute's consideration.

III. Urban Co-operation (Consumers' and Producers' Societies.)

I. Practically speaking no action has been found possible on the lines recommended, though efforts were made. Owing to the retrenchment insisted upon by the Legislative Council, the appointment of Special Assistant Registrar for Purchase and Sale has been abolished, though this will seriously hamper co-operative development in the Presidency.

2. The Committee to further the Union of Housing Societies made recommendations which it submitted to the Registrar and which were approved by that officer. But when the rules were circulated to the societies, they replied that they preferred to wait till more societies took up building. Hence a Union has not yet been formed as desired in the city of Bombay. The Government of Bombay has by its Order No. 4483 of 12th August, 1922, allowed loans to all societies adopting the new model bye-laws on terms which practically agree with the recommendations of the last year's Conference. Bye-laws for Labour Societies have been drafted by the Registrar and are under consideration.

V. Policy and Propaganda.

(a) In regard to the Constitution of Co-operative Libraries a leaflet has been issued and is meeting with some response. The suggestions in Mr. Naik's report were very fully considered and the results of the deliberations were embodied in a leaflet. Finally, amendments to the bye-laws relating to the Board of Management and to the Branches of the Institute were considered at a Special General Meeting on the 28th October last but were rejected by 9 votes to 7. Government has given a grant of Rs. 10,000 this year in addition to the usual grant towards the expenses of the Conference. The Special Committee to consider the transfer of the non-statutory functions of the Registrar and certain other matters duly met and made unanimous recommendations which will be considered at this Conference by Sub-Committee No. V.

(b) Recommendations on legal matters have been submitted to the Registrar in view of the impending amendment of the Act and the draft Bill prepared by the Registrar is now being considered by the Institute.

(Sd.) OTTO ROTHFELD,

Registrar, Co-operative Societies.

(Sd.) S. S. TALMAKI,

Hon. Secretary, Central Co-operative Institute.

Bombay, 3rd December, 1922.