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**PROCEEDINGS**

OF THE

**First Bombay Co-operative Conference**

1918



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## FIRST DAY'S PROGRAMME.

Friday, 19th April 1918. 11 a. m. ( S. T. )

1. Introductory speech by Rao Bahadur S. S. Talmaki, Chairman of the Conference Committee.

2. Formal appointment of the Hon'ble Mr. Lalubhai Samaldas, C. I. E. to be the President of the Conference.

(1) Moved by the Chairman of the Committee.

(2) Seconded by Sir Vithaldas Thackersey.

(3) Supported by Rao Saheb Gunvantrai H. Desai.

3. President's address.

4. Appointment of Committees to consider the following Papers submitted to the Conference:—

I. "Co-operative Societies and Marketing of Cotton."	...	The Hon. Mr. Purshottamdas Thakurdas.
II. "A City Co-operative Bank"	...	Mr. Ramnikrai N. Mehta.
III. "Co-operation among Office Peons"....	..	P. K. Jambhekar.
IV. "Co-operative Clubs"	...	.. L. G. Khare, P. A.
V. "Co-operative Sanitoria"	...	Dr. A. C. Rebello.
VI. "Co-operative Cloth Stores"	...	Mr. Markandrai B. Mehta, B. COM.
VII. "Co-operative Printing"	...	Rao Bahadur S. S. Talmaki.
VIII. "Co-operation in Small Industries"....	..	Do.
IX. "Consumers' Association"	...	Mr. Shantirai B. Mehta, B. A.
X. "Stores for the Poor"	...	.. S. S. Mehta, B. A.
XI. "Co-operative Life Insurance"	...	.. Hairat F. M. Dastur, B. A.
XII. Do.	...	.. P. K. Jambhekar.
XIII. "Audit"	...	.. Karsandas Madhavji.
XIV. "State Aid for Co-operative Housing Societies."	...	Rao Bahadur S. S. Talmaki.
XV. "Constitution for a Permanent Conference Committee"	...	Mr. S. N. Karnad, LL. B.
XVI. "Summary Procedure in Liquidation of Societies"	...	Rao Saheb Gunvantrai H. Desai, B. A.
XVII. "Co-operation among Factory Hands"	...	Sir Vithaldas D. Thackersey, K.T.
XVIII. "Difficulties of Debt Redemption Amongst the Poor"	...	Mr. G. K. Devadbar, M. A.
XIX. Do. in Gujarati	...	.. A. V. Thakkar, L. C. E.



# THE FIRST BOMBAY CO-OPERATIVE CONFERENCE, 1918.

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## FIRST DAY.

Friday 19th April 1918. 11 a. m. (S. T.)

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The Conference commenced its sittings at the appointed time in the Vanita Vishram Hall, which was specially engaged for the occasion. By the hour fixed for the meeting the Hall was very nearly full. The Conference was attended by representatives from the co-operative societies in Bombay and its suburbs.

Nineteen papers on topics affecting various co-operative activities in Bombay were submitted to the Conference.

Rao Bahadur S. S. Talmaki, Chairman of the Conference Committee, in opening the proceedings of the Conference and proposing the Hon'ble Mr. Lalubhai Samaldas as President of the Conference said:—

Ladies and Gentlemen,

Though the first item of business is described as a speech, I do not propose to make more than a few introductory remarks. The object of holding a Co-operative Conference in Bombay is two-fold firstly, to agitate and concentrate opinion on co-operative subjects of special interest to people residing in Bombay; and secondly, to create an opinion on such subjects among the educated and influential people of Bombay, without whose help and sympathy, enterprise in co-operation as in other spheres of life, cannot be expected to make rapid progress. No doubt larger Conferences for the whole Presidency are organised by the Registrar of Co-operative Societies from time to time, but obviously these have not been able to bestow much thought on matters of purely local interest, nor to bring the local people into closer touch with the movement. Consequently with a view to the attainment of these objects people in the taluka and district places, as also those in larger towns, have been organising conferences within their small spheres of activity. Bombay alone has stood aloof from this movement all this while, taking no action in the direction. No doubt, we have in Bombay the Central Co-operative Bank which finances co-operative societies in the districts, a library of co-operative literature and a journal devoted to the treatment of co-operative topics. We also hold classes for training secretaries in the districts. But in spite of these activities we have not been able to enlist the sympathies of as wide a circle of people in Bombay as is desirable. There is besides a very vast scope for numerous co-operative enterprises in the city, as have been indicated to some extent in the papers submitted for your consideration. But before any such activities can be taken in hand, the ground has to be prepared by educating public opinion. It is hoped that all these purposes will be furthered to some extent by conferences like this.

The co-operative movement is found to possess, by the experience of all progressive countries, large potentialities for ameliorating the condition of the masses, on the principle of self-help without recourse to public philanthropy. This movement was introduced in India some fourteen years back, and within the space of this short interval, it has made large strides of progress throughout the length and breadth of the country. And though the people in all the important towns have been taking a large part in understanding its possibilities, and in directing the course of its progress, the bulk of the public of Bombay have remained untouched by the movement up till now. To mention one single incident on the point. About a couple of years ago I had occasion to approach some of the managers of the leading Banks in Bombay, not to negotiate any loan, but with money in my pocket for being invested as a deposit in one of them on behalf of my society. My proposal was politely refused, because the managers could not understand nor be made to understand what a co-operative society was like, and whether it could have a corporate existence without being registered under the Companies Act, notwithstanding its being registered under the Co-operative Societies Act. It was only at the kind intervention of our President-elect that I was able to open a Deposit Account in one of the Banks. But Bank managers are not the only persons who have remained in blissful seclusion from the movement. The generality of the people in Bombay are in no better position. Take the case of the Press. Though the Press in all other towns has been found to devote numerous columns to the treatment of the various phases of co-operation, the Press in Bombay has remained content with mere casual refer-



ences to this subject. But it must be admitted that the blame does not lie wholly on one side. Those working in the movement have taken no active measures for enlisting the sympathy of the leaders in thought and wealth in the city. The present Conference is intended to be a step in that direction, and should our attempt meet with public approval, it is proposed to renew it every year. Though the idea of a Conference was for long moving in the minds of most of us, it took a concrete shape in a meeting of the representatives of the different societies in Bombay, on the initiative of a local society, which happily bears the name of our President-elect, and which counts on its management such energetic members as Mr. Hairat Dastur, Mr. Vaikunthrai Mehta, Mr. Brelvi and Mr. Shantirai Mehta. The idea was taken up enthusiastically as soon as it was made known to others, and was pushed forward with renewed vigour with the assistance of other workers in the movement, chief among whom were our friends Mr. Michael of the G. I. P. Railway Society, Mr. Karnad of the Shamrao Vithal Society, Mr. Rebelio of the Catholic Society, Mr. Jambhekar of the Telegraph Society, and Mr. N. M. Joshi of the Servants of India Society. The rest of the story is easily told. The meeting of the representatives not only accepted the idea, but appointed a working committee to carry out the project. The Registrar of Co-operative Societies blessed it, promised his support, and being unavoidably absent to-day has deputed the Assistant Registrar to represent him in our deliberations, who, however, has been, I understand, kept away by some misfortune in his family. The Directors of the Central Co-operative Bank supported the movement by making liberal donations both individually and from the Bank towards the expenses. The leading co-operative societies in Bombay contributed their mite, and a few individual sympathisers gave contributions. The Committee meanwhile was able to get together a few interesting papers dealing with the various problems in the city, for which co-operation can find a solution. And within a couple of months from the holding of the first meeting of the committee we have been able to meet together in Conference to-day. My Committee's best thanks are due to all the gentlemen who have helped forward the project and to you all for responding to our call to take part in these deliberations.

Thus you will see that this Conference is organised and managed without any official aid, and as such marks an important stage in the progress of this movement based essentially on self-help. Ours is the first attempt of its kind in this city, and should any drawbacks be found to exist, you will indulgently overlook them, and at the same time help with your advice and suggestions for our future guidance.

With these few remarks I proceed to the next item of business, namely, the appointment of the President. My Committee's selection has fallen on the Hon'ble Mr. Lalubhai Samaldas. Mr. Lalubhai stands in no need of an introduction. There is scarcely any public movement in the city with which he is not prominently associated. But his chief claim on our attention is his intimate connection with the co-operative movement from its very inception in this Presidency. To him, and to his friend and co-worker, Sir Vithaldas Thakersey, the co-operative movement in this Presidency owes a deep debt of gratitude. The Co-operative Central Bank in our city, which finances the hundreds of the societies in the districts, owes its inception and its present position, mainly to their joint effort, and the present Conference would not have proved a success, had it not been for their very enthusiastic support. My committee's choice has therefore, fallen on the senior of these two leaders in co-operation and I hope it will meet with your hearty approval. I therefore propose that the Hon'ble Mr. Lalubhai Samaldas be requested to preside over this Conference.

Sir Vithaldas Thakersey in seconding the proposal said:—I have very great pleasure in seconding the proposition which has been placed before you. I need not take your time by mentioning the various qualifications of Mr. Lalubhai for this position. I am sure you will agree with me that the best compliment we can give to him is to listen to his speech carefully now.

The proposal having been supported by Rao Saheb Gunvantrai Desai in Gujrati was carried with acclamation.

### President's Address.

The President then delivered the following address:—

Rao Bahadur Talmaki and friends.

I am very grateful to you, Sir, for the kind terms in which you have referred to my work for the co-operative movement while proposing me to the chair and to you all for cordially accepting this proposal. I deem it an honour to be asked to preside at and guide the deliberations of the first Co-operative Conference for the city and island of Bombay and for the adjoining districts.

As you all know, gentlemen, not only the British Empire but practically the whole of the civilised world is passing through the greatest struggle this world has witnessed between the



the ideals of force and repression on one side and those of liberty, equality, and fraternity on the other. It is only a few days back that the Prime Minister made that stirring appeal to the Viceroy in which, while recognising the splendid services this country has rendered to the Empire during this war, he asked for still greater assistance and still greater sacrifices. There can be only one response to such an appeal, not only because our interests are closely linked with those of the Empire, but because it is in our land that from times immemorial heroes have upheld the fight for right against might that we deem it our duty to render all the assistance that we possibly can in our present circumstances to the righteous cause for which the Allies are fighting.

Before coming to our own immediate needs and problems, may I refer for a moment to the large problem of constitutional reforms on the correct solution of which will mainly depend the growth of this movement. Although the co-operative movement is one of recent growth—it is hardly fourteen years since the first Co-operative Credit Societies Act was passed—the possibilities of its development and its effects on the moral and material progress of the masses have already been recognised as very great. This fact will have constantly to be brought to the notice of those who are now leading the political reform movement in this country. We may take it for granted that in any scheme of constitutional reform that the Secretary of State may submit to the British Parliament, the popular representatives on the new councils will have almost a predominant voice in the administration of the departments of Agriculture and Co-operation. It is therefore essential that those of us who are keenly interested in the growth of this movement should not only disseminate the knowledge of co-operation far and wide but should also educate our representatives in the principles of co-operation and its advantages. Then only will this movement, which can contribute not a little to the well-being of the masses, thrive and then, alone will it be saved from being neglected in favour of other movements which by their superficial glamour may appear more attractive than justified by their real worth and merit. It is because a Conference like this can assist in performing this useful function and can, by co-ordinating the activities in the different fields of co-operation carried on in this city, focus the attention of the intelligentsia of Bombay on the co-operative movement that I welcome it and heartily congratulate the promoters on their attempt.

Leaving aside for the present the question of educating our future representatives on the reformed legislative assemblies, we come to the question of carrying on propagandist work in this city as well as in the whole of the presidency. About the necessity of this there is no difference of opinion. That eminent co-operator, Mr. Henry Wolff, writing as a keen student of the progress of co-operation in different provinces says, "However, the movement wants to be coached and people still require a very large amount of teaching and guiding and supervising. It is the office of the Registrar to act as a guide, philosopher and friend. In a European country the task would naturally fall to volunteer organisers. In India you could not expect a sufficient number of such to be forthcoming. Hence it is for the State to provide for the teaching and supervision which it has upto a certain period very suitably done through the Registrar." On the other hand, Mr. Crosthwaite, till lately Registrar of Co-operative Societies in the Central Provinces, says: "But far too little is made of the absolute necessity for training non-officials themselves to do much of the work that is now being done for them in the higher branches of co-operative activity by the Registrars and their subordinate officers." This tendency is fostered under the wrong impression that a Registrar's control and guidance is an efficient substitute for national enthusiasm and for the control and guidance furnished by federations of co-operative institutions. This of course they never can be. All co-operators, whether workers or students, are agreed regarding the necessity for training unofficial workers not only to carry forward the lighted torch of the movement all over the country but also to guide and control the movement in its later stages. While he recognises that as in European countries this work should be done by volunteer organisers, Mr. Wolff, who has, it may be remembered, not had opportunities of studying at first hand conditions in India, still thinks that sufficient numbers of such workers are not likely to be forthcoming in this country. That is an unwarrantable aspersion against the people of the country in general, and in particular against the non-official co-operators without whose help the movement in India would never have grown to its present height. As a member of the Committee on Co-operation, I had various opportunities of seeing the good and useful work done by the honorary organisers and directors of central banks in all parts of the country, and as I am an humble worker in the same field I am sure I shall not be charged with adopting a patronising attitude, if I say and say it with great emphasis that the country has every reason to be proud of the non-official workers in this movement. Let me not be misunderstood, pray, as meaning that the movement does not need more un-official workers. What I want to lay stress on is that when we take into account the fact that this movement has since its beginning been cried down as an attempt to gloss over the defects of the Land Revenue System and is even now deemed in



some quarters as a fill of work only for Job-hunters and title-hunters and when we also look to the fact that there is a strong feeling even amongst co-operators that the movement cannot continue to grow on right lines so long as its control is in the hands of the officials, it seems a wonder that so many persons of the right stamp have come forward to work for the cause. This result is due partly to the patriotic desire of these gentlemen to help their poorer and ignorant brethren, and partly to the desire of the Registrars to enlist in the cause as many non-official workers as possible. With the ideals of self-government in the air it will not be possible even for the most tactful and sympathetic of Registrars to get more workers to join the movement until Government decide to give to non-officials a due share in guiding and even in controlling it. That this is not an unreasonable demand nor an unattainable ideal will be realised when I tell you that Mr. English, the most prominent and successful of Indian Registrars and himself a member of the Indian Civil Service, told the Committee on Co-operation that in his opinion the training of non-officials in this work should be inspired by the idea that the Registrar might at any moment drop out of the movement. The Madras Government in their remarks on one of the recommendations of the MacLagan Committee say, "The success of the co-operative movement must depend finally on the extent to which co-operators are able to undertake responsibility themselves and manage their own affairs." This spirit is best fostered in the absence of intimate official control.

The Central Provinces, which are usually supposed to be a backward part of the country, have gone ahead of the other parts of India, by electing a non-official, the Hon'ble Rao Bahadur K Ikar as the Governor of the Co-operative Federation, in which capacity he shares the control of the movement with the provincial Registrar. Although the Government of Bombay have not made any definite pronouncement on the subject, we are justified from the attitude of the Registrar on this question in inferring that the duties of the Registrar would in the near future be confined to work of registration, inspection and audit. I hope I am not giving away the Registrar when I say that he is at present drafting a scheme in consultation with the leading co-operators in Bombay, for the establishment of a Central Co-operative Institute. All the preliminaries have been arranged, and at no distant date we hope to lay the foundation of a strong Co-operative Institute which is bound to pave the way for similar Institutes in other parts of the country and take a lead amongst all such institutes in guiding the movement and helping it forward. To attain this eminent place we shall have, in the words of Lord Morley, to keep away from "all quackery and cant, whether it be quackery of hurried violence dissembling as love of order, or the cant of unsound and misapplied sentiments divorced from knowledge and untouched by cool comprehension of realities."

The city of Bombay can take justifiable pride as being the first in India to take up the work of starting co-operative societies for mill-hands and the poor municipal employees belonging to the depressed classes, and financing and managing the societies through a private agency and establishing the debt redemption committee. The credit of initiating this movement belongs to my friend, Mr. Devdhar, who made preliminary enquires into the economic conditions of this class of people before making a beginning. It was found that the usual rate of interest that these poor wage earners had to pay was 75%, while in some cases it went upto 150% and even 300%. Mr. Devdhar and his colleagues did not favour the idea of reducing the lending rate to members to the general rate of 9 $\frac{3}{4}$ % prevailing in this Presidency. They fixed the rate at 18 $\frac{3}{4}$ % which, though it may appear high at first sight, gives to the members relief to the extent of at least three quarters of what they had to pay in way of interest charges alone. While a great number of people have been helped by these societies very much more remains to be done. It was not possible to extend the operations of the Debt Redemption Committee's work for the reasons given in the Registrar's report that "Mr. Devdhar's indifferent state of health has unfortunately to some extent deprived the societies of his inspiring guidance." Those of us who have worked with Mr. Devdhar know what loss his absence means to the committee. As a result of his absence we have had to postpone the idea of forming a Central Banking Union to take up the duties of the Debt Redemption Committee to finance and supervise this group of societies. The work is of a very responsible nature according to Mr. Ewbank, "Character is the one asset of the Bombay mill-hand and it is in awakening a sense of honesty, decency and thrift amongst this class that the societies have achieved their main success and their chief security." It takes a long time to train up these people to such an extent that there is no danger of their going back to their old habits in the absence of due supervision, and this work of training can be done only by men who, while having active sympathy with the people, are firm and strong in business habits. The Central Co-operative Institute when it is started will be in a position to guide and advise as to the best means of developing this class of societies.

The other class of societies which we can very well call our own are the Housing Societies started under the auspices of the Housing Association with my friend the Hon. Sir. P. D.



Pattani as its first President. The first society registered under the Act was the Saraswat Co-operative Housing Society which owns at present five houses of three storeys each, on land leased from the Improvement Trust. These houses accommodate 42 families in separate tenements. As the rents of these are fixed for good, war-profiteering does not affect them and the members of the society must be feeling grateful to Rao Bahadur Talmaki who is the soul of the society and to whose ability and enterprise this progress is mainly due. Two other housing societies—the Mangalorean Garden Homes Society and the Bombay Catholic Co-partnership Society were registered in the year 1917. Both these societies have suffered from the difficulty of raising capital on moderate terms and this difficulty is hampering further progress of co-operative housing. To meet it, the Housing Association has approached Government to grant certain subventions. The difficulties in the way of finding in Bombay decent housing accommodation at a fair rental will most probably go on increasing even after the termination of war. For though the military with the Supply and Transport Departments may go away from Bombay, people belonging to the labour corps are not likely to return to their native place soon after. Over and above this extra population, there will always be an influx of population to a city like Bombay with all its attractions, while on the other hand owing to the natural situation of the city, there can be very little increase in the building area of the city. Tenants will thus always be at the mercy of the landlords and one of the few ways of meeting this difficulty, is to start co-operative housing societies now. Though on theoretical grounds it may be felt that communal housing societies should not be encouraged, actual experience has shown that it is a communal society that has succeeded well. I may safely assert that till the social reform movement succeeds to the extent of altogether doing away with the castes, communal housing societies are the only societies that are likely to succeed. The Central Co-operative Institute will have to assign the work of organising and helping this class of societies to one of its sub-committees and if the Government of India's reply to the representation of the Housing Association is a favourable one, there is no reason why with the help of men like Rao Bahadur Talmaki and others the unoccupied plots of land belonging to the Improvement Trust and other public bodies should not be studded over with buildings owned by the various co-operative housing societies.

Mr. Devdhar has, I believe you are well aware, organised a movement for training up persons to undertake the work of secretaries of primary societies. This movement has now taken a definite shape and has succeeded so well that owing to a demand for similar training classes in the mofussil it was resolved at the last Provincial Conference to divide the work into two heads, primary and secondary training classes for secretaries and to start the former classes at selected centres in the mofussil. This work will grow and the Central Institute will be able to undertake its entire management. It will not be out of place to say here that the success of all these various activities are largely due to the active sympathy and co-operation of the Registrar. Not that we have not had our differences of opinion with the Registrar—life would be too dull to live if all was quiet smooth sailing—but both sides have tried to look at the matter from the other's point of view and have also tried to work harmoniously for the common goal.

So far, the past. The question naturally arises as to what should now be done for the future. I shall briefly refer to what I think are the pressing needs of the movement in the city for its own requirements as well as for such requirements of the mofussil as can best be met from a centre of trade and commerce like this city. Some societies in the mofussil find it difficult to purchase for their members agricultural implements, manure or raw material of manufacture at reasonable prices and of guaranteed quality and correct weight. They also find it difficult to sell the produce of their members, and it is worth considering whether a society should not be started here in the near future to help the primary societies in both directions. We have a precedence for this in Bengal where "the Calcutta Consumers and Co-operative Home Industries Purchase and Sale Society, Ltd.," was registered in December last. As its name shows, this society is to do the purchase and sale work for its individual members also, while it restricts its operation for affiliated societies to home industries only. If I may venture an opinion on a subject, which is practically new to us, I would not have the same society work for individual and society members, for these functions are quite distinct from one another, the first being the legitimate work of a co-operative store. I would not also restrict the proposed purchase and sale society to deal with products and manufactures of hand industries only.

Even if a banking union were started for the group of societies managed by the Debt Redemption Committee, there is a probability of a large number of societies for various objects being started in the Bombay city. Their chief need will be financial facilities, and I think the time has arrived when the question of starting a city co-operative bank to finance limited liability non-agricultural societies should be taken into serious consideration. The Com-



mittee on Co-operation have said that "societies among the poorer urban classes need special encouragement" and have recommended that certain subventions from Government be granted to them. In the past Mr. Ewbank has been successful in getting some subventions or advances from Government for this class of societies. This arrangement which is due to the personal influence of the Registrar cannot suffice for all new societies for all time to come. A city central bank, if properly organised and managed, will be able to render not only financial facilities to such societies but also help them in managing their own affairs. I have only one more suggestion to make and that is about starting a general co-operative stores for the city with branches in various important localities or a number of co-operative stores each to serve a particular locality. From the purely business point of view the first alternative is preferable, as under it efficient management can be secured by giving due remuneration to the manager's staff. The only drawback to this type of society is that when there is a highly paid staff to manage a concern the members become lax in supervision work and they gradually lose interest in the institution which becomes more and more a business than a co-operative concern. In the second alternative the turnover is not likely to enable proper remuneration being paid to the managerial staff and as a result the institution is not able to make much headway, and there is a danger of its stagnating. Even the Triplicane Stores of Madras, which may rightly be called the premier co-operative stores in India do not come half as near as an ideal co-operative stores of the type of the large co-operative stores in England. This Conference may very well express its opinion on this subject and also say whether it is in favour of the stores serving its own members or the general public also, giving the members a slight rebate.

We have to express our sense of thankfulness to those gentlemen who have been good enough to send their papers for this Conference the substance of which will be explained to you by the writers. It may be considered quite useless—if not presumptuous—to talk of the advantages of co-operation to an audience like this, many of whom are earnest co-operators themselves, who have shown their faith in the movement by active work, and yet one desires to take advantage of such an opportunity to focus our ideas on the subject. This movement, which was chiefly meant to help the agriculturists, has spread to the cities and has come to stay. The needs of the poorest classes of wage-earners in a city like Bombay can only be realised by those who have moved amongst them or worked with them. It is only then that we realize the faith of the following lines of William Morris who was as great a social reformer as he was a poet:

" This land we have loved in our love and leisure,  
For them hangs in heaven, high out of their reach;  
The wide hill over the sea-plain for them have no pleasure,  
The grey homes of their fathers no story to teach;

One sometimes loses heart at the first sight of so much misery all around. Work for the removal of these however gives birth to new hopes which the poet describes as follows:

" So the hope of the people now buddeth and groweth,  
Rest fadeth before it, and blindness and fear;  
It biddeth us leave all the wisdom it knoweth;  
It hath found us, and held us, biddeth us hear."

By a happy coincidence to-day is the birthday of Shri Ramchandra, the seventh incarnation of Lord Vishnu. During his reign the peoples were so happy and contented that even now in which-ever Kingdom conditions of happiness and contentment prevail that State is said to be Ramrajya. In this country with the prevailing economic notions of free competition and their subservience to the laws of supply and demand that old ideal may to-day appear almost unattainable. If there is any movement which can check the spirit of competition amongst people and direct their energies into social channels, it is the Co-operative movement. Both the rural and national problems of Ireland are similar to ours, and what A. E. says in his preface to Rural Reconstruction in Ireland applies to our present condition:

" The idea of nationality is a cultural idea, but a man very soon becomes cynical about nationality in practice if his neighbour or his employer accepting the same national ideas do in fact relegate him to poverty in the pursuit of their own interest. The Co-operative movement in large measure binds together the economic interests of Irishmen, so that purchase, manufacture and sale become less and less personal enterprises and more and more communal activities. It illustrates in a practical way the truth that the personal and economic interests of the majority are served best by their incorporation in communal enterprises. So the mind of the citizen is predisposed to subordinate his own interests and to identify them with the interests of the nation."



We are working not merely to improve the economic conditions but also to help the body corporate to grow both intellectually and spiritually, so that by the widening of its outlook the individuals composing it may be much more useful citizens of the country and of the Empire. For, as the same writer says, "Membership of co-operative societies is a practical education in economics fitting men for public service, and by its principles it fosters the spirit of citizenship. When the fierce passions of the hour have foamed themselves away, I am convinced that this movement will come to its own and its principles of toleration and comradeship in work will become the dominant factors in national life."

The President then called upon some of the gentlemen who had sent in written papers on different subjects to explain the salient features of the subjects before they were taken up for formal discussion in committees.

Sir Vithaldas Thackersey in explaining his paper on "Co-operation among Factory Workers" said:—My paper on "Co-operation among Factory hands" has been printed and circulated among you, and I shall not take up your time by reading it. At the same time I will explain within the five or ten minutes that the Chairman has given me what I mean to convey in that paper. If there is to be any co-operative movement, it should be first among the factory workers in Bombay. They should be approached by the organisers in the proper way. When we go deep into the working of the principle of co-operative credit among factory workers we find many difficulties. The factory workers are not local men but come from their villages in the Konkan. Therefore there is no direct asset available in Bombay. Each villager in a particular village knows his neighbour, and knows his asset. But in a mill, the workers come from different villages and the society becomes absolutely dependent on credit and good faith. To start a society of members of no asset is a work of no small difficulty. Another difficulty we meet with is the presence of the person who is called a jobber or headman. He is sometimes the lender, and he does not like that the workers should join a co-operative society and that he should lose one anna interest which he charges from them. His own position depends upon the men that he has under him. In spite of these difficulties I started a co-operative society in my Mill. The people were illiterate, so the management was placed in the charge of a clerk. In the actual administration there is no scope for the play of the principle of co-operation as we find in other well-organised co-operative societies. Most of the workers are illiterate. It is very difficult to form a managing committee out of them. The only thing that can be done for them is to have an outside organisation who would take interest in them. The organisation would be aided by men like Mr. Devdhar and others, and that organisation must be started by those mill-owners who are anxious to do something for their workers. That institution will gradually organise societies in the mills, and they will begin to get into touch with the factory workers coming from different villages, and in that way to a certain extent some good might be done. It is impossible for the mill managers to take up this work. All these difficulties and others which I have shown in my paper will be considered by the Committee, and if this organisation is started, I hope some successful co-operative work will be done in Bombay.

Mr. Anantlal V. Thacker of the Servants of India Society in explaining his paper separately printed in Gujarati on "Difficulties of Debt Redemption Amongst the Poor" said.—The first great need is that there must be a missionary body who will go round and explain the advantages of co-operation to the ignorant men of the very poorest classes. The chief difficulty is that members of the society never live together, and they are difficult to get at for the purpose of recovering debts. Then again when loans are made to them they look upon it as if it were an act of charity. The principal disadvantage in some cases is that once you begin giving these persons loans they get into the habit of incurring debts. Paid accountants cannot be found from among the members themselves. Separate clerks are required to be appointed. This difficulty must be removed. The Secretary must be one from among the members. Lastly the society must not be too big. It should consist of 15 to 20 members to ensure efficient management.

M. L. G. Khare in summarizing his paper on "Co-operative Clubs" remarked:—

As the President observed in his address, up to now we have noticed that the co-operative movement has had reference specially to agricultural credit and debt redemption amongst persons in lower walks of life. This movement should now display its activities by coming into greater contact with the middle classes, and especially among the student class. I have noticed that our University gentlemen consider that all this talk of co-operation is one in which they have no direct concern. They consider that it is the domain of faddists. It has done a good deal of work in the mofussil, but, so far for the students, the co-operative movement has not held out any hopes. The example of what other countries by co-operative organization have achieved for the middle-classes leads us to believe that the difficulties attendant on the faulty organisation of stu-



dents' hostels, would largely be remedied if we organise amongst the student class co-operative clubs. Especially in cities like Bombay, Karachi, Ahmedabad and Poona it is very difficult for students to secure good dwelling houses. Is it not possible for them to organise themselves into a small society of 15 or 20 members, whereby they could, through co-operative means, secure some flats, so that they can live together and co-operate in the payment of rent? I cannot see any reason why there should not be a co-operative laundry. In going over the bill of expenses of an ordinary student one finds that this laundry expense is a serious item of expenditure. These are the immediate needs I find among the class of University students. When they come to realize the advantages of co-operation it would be possible for these to be interested in the social welfare of the artizan class. We should utilize the services of the students in starting and working institutions for the artizan classes, like the institute recently started in the Currimbhoy Mills.

Mr. P. K. Jambhekar in explaining in Marathi his paper on "Co-operation among Office Peons" said:—We have a society of the peons and delivery messengers of the Bombay Central Telegraph Office. On the whole the results of our efforts have been very satisfactory. In every public office there should be one such co-operative society. If there are 50 peons there should be one society for them. If we show sympathy, these people will take greater interest in co-operative movement.

Rao Saheb Gunvantrai Desai explained his paper on "Summary Procedure in Liquidation of Societies". Mr. Desai referred to various Sections of the Act and pointed out how the Act was defective and what amendments could be made in it. The suggestions he made in his paper were firstly, to empower the liquidator (a) to enforce the attendance of all defaulters, their sureties and contributories of cancelled co-operative credit societies, and, (b) to compromise the claims of the society with the sanction of the Registrar; secondly, to make the orders passed by the liquidator under section 45 (5) presented to the Civil Court by post instead of personally or through a pleader, (d) to authorize the Registrar to issue a certificate under Section 5 of the Revenue Recoveries Act or to confer upon him the same powers as are given to the Court of Wards under Section 29 of Act I of 1905. Mr. Desai further explained the resulting advantages of these suggestions of which the first was intended to secure the speedy collection of outstandings and facilitate the winding up of a proclaimed failure; among other effects would be the obtaining of greater security for depositors and financing institutions and of freedom from the costs and delays incidental to the formal litigation in civil courts. Mr. Gunvantrai also detailed the safeguards provided against the abuse of the powers proposed to be assumed.

R. B. S. S. Talmaki in explaining his paper on "Co-operation in Small Industries" said:—

There are numerous small industries in the city which I have noted in my paper and which I have taken from the Census Report of 1911. The people engaged in them are either working under a master workman, or are working individually. In the former case they receive mere wages. In the latter case they have to purchase dear their raw materials, and sell their finished goods at comparatively low prices. In either case the profits earned through their skill of hand go into the pocket of some middleman. Consequently we have to discuss how it would be possible to organise the people who have been working in these small industries. The answer comes from Bengal where they have a Home Industries Association. We should have such an association for the promotion of small industries formed in Bombay and registered under the Co-operative Act. If you carry on some investigation on the lines indicated in my paper, you will find ample material for co-operative endeavour. For instance, I find that the Goans in Bombay have got instincts of co-operation in them. They have what they call "*Coods*" some of which are nearly a century old and based on co-operative lines. They have moreover a co-operative insurance society among them. A tailors' co-operative shop would be quite possible with the help of the Tailors' '*Cood*'. There are similar materials in other communities of Bombay. I am sure that you will lend your assistance in the formation of such an association in our midst.

Mr. S. N. Karnad then explained his paper on "Constitution for a Permanent Conference Committee." He said:—This is the first Co-operative Conference we are having in Bombay. We should have more conferences like this hereafter. We have to discuss questions, like the starting of dairies or housing societies or stores after full consideration of the peculiar conditions of life in Bombay. We should have some organisation for the consideration of subjects of common interest in the city of Bombay and for doing every thing that is necessary to make the movement a success.

Dr. A. C. Rebello explained his paper on "Co-operative Sanitoria." He said:—The needs for starting Co-operative Sanitoria are many, firstly, the existence of many diseases in Bombay and consequent need for going out of Bombay for change. Secondly, people get worried over



their work and consequently need rest. Thirdly, there are so many ill-ventilated houses in Bombay that it is practically impossible for ordinary middle class men residing in these all the year round to preserve sound health. There is therefore the paramount necessity of having cheap sanatoria at hill stations so as to enable ordinary people to take advantage of them. The capital for constructing such sanatoria may be met by the issue of shares. Two or more societies may join together so that the expenses might be reduced to a minimum.

Mr. S. S. Mehta then explained his paper on "Stores for the Poor". He said:—

I was just thinking that when India is showing a spirit of co-operation it is proper that we should try to assert it not only by co-operating in hands but that we should co-operate with our hearts and with our heads as well. In other matters the principle of co-operation is found asserted in regard to the amelioration of the condition of the poor. When we take up the question of establishing Stores for the Poor we are quite sure that we shall have to confront difficulties. The need of a store in regard to clothing and food is very great. We have some store societies scattered throughout the presidency, no doubt, but they are more or less minor concerns. Our object now should be to consider the difficulties of starting stores and to suggest solutions of these difficulties. When establishing stores for the poor the chief things to be taken into consideration will be (1) good leadership, (2) capable management, (3) adequate legal safeguards. Upon the efficient management depends the entire success of the society.

Mr. Ramnikrai N. Mehta explained his paper on "A City Co-operative Bank". He Said:—

The number of co-operative societies in Bombay is increasing every year. As Rao Bahadur Talmaki said, these societies cannot work unless we find a central institution for balancing the funds of these societies. He told us that he could not find out a source of investment for his society. Unless we found a City Co-operative Bank in Bombay the growth of these societies is sure to be hampered. I propose that a City Co-operative Bank may be started in Bombay. It may be said that the business will not be great and it cannot pay a whole-time manager. In the beginning we may have a half-time Secretary and the transactions may be made by book entries.

The remaining papers were taken as read except the paper contributed by the Hon'ble Mr. Purshotamdas Thakoredas the consideration of which, owing to his absence, was held over till the next day.

Seven Sub-Committees were appointed to consider the various papers and reports were called for from them for discussion the next day.

The conference adjourned till 3 p. m. on Saturday, 20th April.

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## SECOND DAY'S PROGRAMME.

*Saturday, 20th April 1918. 3 p. m. (S. T.)*

### 1. Consideration of the Committees' Reports:—

#### I. Resolution on Report of Sub-Committee No. I.

Moved by Rao Bahadur S. S. Talmaki.  
 Seconded by Mr. S. N. Karnad.  
 Supported by Mr. Hairat F. M. Dastur.  
 „ by Mr. L. G. Khare.

#### II. Resolutions on Report of Sub-Committee No. II.

RESOLUTION I. Moved by Sir Vithaldas D. Thakersey, Kt.  
 Seconded by Mr. N. M. Joshi.  
 Supported by Mr. C. B. Lalaye.  
 „ by Mr. S. G. Devrukhkar.  
 RESOLUTION II. Moved by Mr. A. V. Thakkar.  
 Seconded by Mr. K. S. Gore.  
 Supported by Mr. N. D. Kadam.  
 „ by Mr. Samant Marwadi.

#### III. Resolution on Report of Sub-Committee No. III.

Moved by Prof. A. R. Burnett-Hurst.  
 Seconded by Rao Bahadur S. S. Talmaki.  
 Supported by Mr. V. Jeyrajani.  
 „ by Mr. A. B. Modak.  
 „ by Mr. K. B. Joshi.

#### IV. Resolution on Report of Sub-Committee No. IV.

Moved by Sir Vithaldas D. Thakersey, Kt.  
 Seconded by Mr. K. S. Gore.  
 Supported by Mr. N. S. Kowshik.

#### V. Resolution on Report of Sub-Committee No. V.

Moved by Prof. A. R. Burnett-Hurst.  
 Seconded by Mr. S. S. Mehta.  
 Supported by Mr. S. B. Mehta.  
 Supported by Mr. G. S. Deshpande.

#### VI. Resolution on Report of Sub-Committee No. VI.

Moved by Mr. K. S. Aiyar.  
 Seconded by Mr. S. B. Cardmaster.  
 Supported by Mr. R. N. Mehta.

#### VII. Resolution drafted by Sub-Committee No. VII. ( From the Chair).

2. Forwarding resolutions to the Registrar of Co-operative Societies for departmental consideration and action. ( From the Chair).
3. Concluding remarks by the President.
4. Votes of thanks to the President. Moved by Mr. J. R. Gharpure.
5. Refreshments.



### Report of Sub-Committee No. I.

This Committee approve of the suggestions made by Mr. S. N. Karnad in his paper on "The Constitution of the Conference Committee," and recommend to the Conference the following resolution for adoption:—

- (i) that a Co-operative Conference be held every year in the City of Bombay;
- (ii) that a committee (named below) be appointed with powers:—
  - (a) to hold the next year's Conference;
  - (b) to frame the constitution of the Conference, to draft rules for its working, and to place the same at the next Conference for adoption;
  - (c) to collect funds to meet all necessary expenses;
  - (d) to publish the report of, and take steps to carry out the resolutions passed by, this Conference;
- (iii) that the following gentlemen do form the committee mentioned in clause ii:—

The Hon. Mr. Lalubhai Samaldas, (*Chairman*). The Hon. Sir Fazulbhoj Currimbhoy, Kt., Sir Vithaldas D. Thackersy, Kt., The Hon. Mr. Chunilal V. Mehta, Rao Bahadur S. S. Talmaki, Mr. G. K. Devadhar, Mr. H. R. Michael, Mr. P. K. Jambhekar, Mr. F. A. C. Rebello, Mr. Powers, Mr. H. V. Rajwadkar, Mr. V. R. Sirur, Mr. Shantirai B. Mehta, Mr. L. G. Khare and Mr. D. D. Sabnis.

Mr. S. N. Karnad, Mr. S. A. Brelvi, Mr. Vaikunth L. Mehta and Mr. N. M. Joshi (*Joint Secretaries*.) Mr. Hairat F. Dastur. (*Treasurer*.)

(Sd.) Lalubhai Samaldas (*Chairman*),

S. S. Talmaki,  
S. A. Brelvi,  
S. N. Karnad,  
A. B. Pandya,

D. D. Sabnis,  
P. K. Jambhekar,  
R. N. Mehta,

H. F. Dastur,  
Vaikunth L. Mehta,  
L. G. Khare,  
M. B. Mehta.

### Report of Sub-Committee No. II.

The Committee considered the papers submitted to the Conference by Sir Vithaldas D. Thackersey on "Co-operation among Factory-Workers," and by Mr. G. K. Devadhar and Mr. A. V. Thakkar on "Difficulties of Debt Redemption among the Poor" and recommend the following resolutions for adoption by the Conference:—

#### RESOLUTION I.

This Conference approves in principle of the views expressed in Sir Vithaldas D. Thackersey's paper, and, while appreciating the efforts made by certain mill-owners for ameliorating the condition of their employees, strongly recommends the mill-owners to establish an organization in order to undertake, in co-operation with the Social Service League, Bombay, the work of starting and supervising Co-operative Societies among mill-hands. In the opinion of this Conference the present is the opportune time—when the Mill Industry is in a flourishing condition—for initiating the movement which will conduce to the great benefit of the factory workers. Copies of this resolution be sent to the Mill-Owners' Association and the Social Service League.

#### RESOLUTION II.

This Conference appreciates the work done under enormous difficulties by the Debt Redemption Committee as described in the papers of Mr. Devadhar and Mr. A. V. Thakkar and hopes that Government will give more liberal help in future towards the cost of supervision of the societies under the Committee. A copy of this resolution be forwarded to Government through the Registrar.

(Sd.) Fazulbhoj Currimbhoy (*Chairman*), S. S. Mehta, N. M. Joshi, R. V. Vandekar, A. V. Thakkar, Shantirai B. Mehta, Burnett-Hurst, C. B. Lalaye, K. B. Joshi, S. G. Devrukhkar, S. K. Bole, K. S. Gore, Gunvantrai H. Desai, Samant Marwadi.

### Report of Sub-Committee No. III.

The Committee considered Rao Bahadur Talmaki's paper on "Co-operation in Small Industries", and recommend the following resolution for adoption by the Conference—



This Conference recommends the formation of a Small Industries Association in Bombay on co-operative lines, with the object of encouraging small industries. The activities of the Association may consist of:—

- (a) the collection and publication of information and statistics regarding the present condition of small industries and the people engaged in them;
- (b) the purchase and sale of raw materials on behalf of workers in such industries and the marketing of their finished products;
- (c) affording technical guidance to people carrying on or starting small industries and encouraging the improvement of implements, of methods of work, and of the quality of goods;
- (d) the formation of co-operative societies among the workers;
- (e) provision of funds to the workers, to groups of the workers and to societies;
- (f) propagandist work by lectures and publication of leaflets.

The sphere of activities of the Association should at first be confined to the City and suburbs of Bombay.

The Committee named below do take the necessary steps for the formation of such an Association and submit their report to the Conference Committee within two months:—

The Hon. Mr. Manmohandas Ramji (*Chairman*), the President of the Indian Merchants' Chamber & Bureau, the Secretary of the Indian Merchants' Chamber & Bureau, Rao Bahadur Talmaki, Mr. K. S. Iyer, Prof. A. R. Burnett-Hurst.

Mr. K. B. Joshi & Mr. H. F. Dastur, *Joint Secretaries*.

(Sd.) A. R. Burnett-Hurst (*Chairman*).

G. H. Desai.  
K. B. Joshi.  
S. S. Mehta.

K. S. Aiyar.  
S. S. Talmaki.  
N. B. Divatia.

V. V. Jairajani.  
K. H. Vakil.  
H. F. Dastur.  
S. B. Cardmaster.

#### Report of Sub-Committee No. IV.

The Committee have discussed the paper on "A City Co-operative Bank" submitted to the Conference by Mr. Ramnikrai N. Mehta, and recommend the following resolution for the acceptance of the Conference:—

This Conference believes that the proposal for the establishment of a City Central Bank is worthy of further consideration and is of opinion that the paper should be referred to the Conference Committee for detailed examination and for such action as may be deemed necessary.

(Sd.) Vithaldas D. Thackersey (*Chairman*).

Lalubhai Samaldas.  
A. V. Thakkar.  
Ramnikrai N. Mehta.  
N. S. Kowshik.

H. R. Michael.  
Vaikunth L. Mehta.  
K. S. Gore.  
P. K. Jambhekar.

S. N. Karnad.  
Shantirai B. Mehta.  
S. K. Talgeri.  
P. J. Dhond.  
Markandrai B. Mehta.

#### Report of Sub-Committee No. .

The Committee considered Mr. S. B. Mehta's paper on "Consumers' Associations," Mr. S. S. Mehta's paper on "Stores for the Poor," and Mr. M. B. Mehta's paper on "Co-operative Cloth Shops" and recommend the following resolution for adoption by the Conference:—

(1) This Conference appreciates the principle underlying the formation of a Consumers' Association and welcomes any experiment in that direction.

(2) This Conference is of opinion that the present time is opportune for the establishment of general stores on co-operative lines.

(Sd.) A. R. Burnett-Hurst (*Chairman*), H. R. Michael, Markandrai B. Mehta, S. S. Mehta, G. S. Deshpande, Y. P. Sulakhi, Shantirai B. Mehta, K. S. Gore, L. G. Khare, H. B. Diwanji, N. M. Joshi, C. B. Lalaye, D. G. Tendulkar, S. A. Brelvi, K. V. Mehta, N. M. Buch, R. V. Vandekar, Ramnikrai N. Mehta, K. B. Joshi.



### Report of Sub-Committee No. VI.

The Committee considered papers on "Co-operative Life Insurance" by Mr. Hairat F. Dastur and Mr. P. K. Jambhekar and recommend the following resolution for adoption by the Conference :—

This Conference is of opinion that it is desirable to encourage life insurance among co-operators everywhere, on account of its highly educative value in promoting thrift, and considers that it is practicable to devise a scheme for the purpose and therefore recommends that a special committee consisting of the undermentioned gentlemen be formed to frame a practicable scheme and submit the same with details to the Conference Committee:—

Messrs. K. S. Aiyar (*Chairman*), M. R. Tambe, D. G. Vin, H. F. M. Dastur, S. S. Talmaki, Dr. Erulkar, Messrs. P. K. Jambhekar, V. J. Dhond, V. M. Dubashe, S. B. Cardmaster, (*Secretary*).

(Sd.) K. S. Aiyar (*Chairman*).

S. S. Talmaki.  
J. C. Setalvad.  
P. K. Jambhekar.

V. M. Dubashe.  
H. F. Dastur.  
V. J. Dhond.

S. B. Cardmaster.  
G. D. Vin.  
K. B. Mehta.

### Report of Sub-Committee No. VII.

The Committee considered following papers:—

- (1) "Co-operative Societies and Marketing of Cotton" by the Hon. Mr. Purshottamdas Thakordas.
- (2) "Co-operative Clubs" by Mr. L. G. Khare.
- (3) "Co-operative Printing" by Rao Bahadur S. S. Talmaki.
- (5) "State Aid for Co-operative Housing Societies" by Rao Bahadur S. S. Talmaki.
- (5) "Payment of Audit Fees" by Mr. Kursondas Madhowjee.
- (6) "Summary Liquidation Procedure" by Rao Saheb Gunvantra Desai.
- (7) "Co-operation among Office Peons" by Mr. P. K. Jambhekar.
- (8) "Co-operative Sanatoria" by Dr. A. C. Rebello.

The Committee recommend the following resolutions on the respective papers for adoption by the Conference :—

- (1) This Conference recommends the starting of agencies on co-operative lines to keep cotton cultivators in good touch with the cotton market in Bombay.
- (2) This Conference recommends the starting of Co-operative Clubs for University Students and the Artisan Classes.
- (3) This Conference requests the Conference Committee to submit a report on the possibilities of establishing a Co-operative Printing Press.
- (4) This Conference is of opinion that the housing problem in Bombay has reached an acute stage on account of serious shortage of housing accommodation, and it therefore considers it to be the urgent duty of Government to take all possible action for the increase of such accommodation, chiefly by affording cheap financial aid to Co-operative Housing Societies. The Conference, therefore, requests that the Government of India be pleased immediately to sanction State Loans to Housing Societies on the lines proposed in the representation submitted by the Bombay Co-operative Housing Association.
- (5) This Conference being of opinion that it is beyond the capacity of all Housing Societies as also of other societies with a working capital below Rs. 50,000, in the city and suburbs of Bombay, to bear the charges of Government Audit, recommends that Government be pleased not to impose upon these classes of societies this financial burden.
- (6) This Conference recommends to the earnest consideration of Government the following suggestions regarding recoveries of the dues of cancelled societies :—
  - (a) to empower the liquidator
    - (i) to enforce the attendance of all defaulters, their sureties and contributories of cancelled co-operative credit societies and
    - (ii) to compromise the claims of the societies with the sanction of the Registrar.



- (b) to make the orders passed by the liquidator under section 42 (5) presentable to the Civil Court by post instead of personally or by the pleader.
- (c) to authorize the Registrar to issue a certificate under Section (5) of the Revenue Recoveries' Act or to confer upon him the same powers as are given to the Courts of Wards under Section 29 of Act I of 1905.

(7) This Conference recommends that the Registrar of Co-operative Societies be requested to invite the attention of the heads of Government Offices to the good work done by the Junior Telegraph Co-operative Credit Society with a view to the formation of similar societies in their offices.

(8) This Conference urges the starting of sanatoria on co-operative lines as a measure imperatively necessary in the interest of public health and invites the attention of Housing Societies in particular to the importance of including the starting of Sanatoria in their programme of work.

(Sd.) S. S. Talmaki (*Chairman*), A. C. Rebello, L. G. Khare, P. K. Jambhekar, D. D. Sabnis, A. B. Pandya, N. M. Joshi, S. A. Brelvi, Gunvantrai H. Desai, Vaikunth L. Mehta.

## Second Day's Proceedings

The adjourned meeting of the Conference met at 3 p. m. on Saturday the 20th April. The President read letters from Mr. M. R. Jayakar, Mr. G. K. Devadhar, the Hon'ble Mr. B. S. Kamat, Mr. V. H. Gonehalli and others expressing their full sympathy with and wishing success to the Conference.

### Consideration of Report of Sub-Committee No. I.

The report of Sub-Committee No. 1 on the "Constitution for a permanent Conference Committee" was first taken up. Rao Bahadur Talmaki moved the resolution framed on the subject by the Sub-Committee. In doing so he said:—In accordance with the recommendation of the Sub-Committee No. 1 which sat to consider the paper presented to the Conference by our friend Mr. Karnad regarding the constitution of the conference committee, I propose the following resolution:—“(1) That a Co-operative Conference be held every year in the city of Bombay; (2) that a committee be appointed with powers:—(a) to hold the next year's Conference; (b) to frame the constitution of the Conference, to draft rules for its working, and to place the same at the next Conference for adoption; (c) to collect funds to meet all necessary expenses; (d) to publish the report of, and take steps to carry out the resolutions passed by, this Conference. (3) That the following gentlemen do form the committee mentioned in clause (2):—The Hon. Mr. Lalubhai Samaldas (*Chairman*), the Hon. Sir Fazulbhoy Currimbhoy, Sir Vithaldas D. Thackersy, the Hon. Mr. Chunilal V. Mehta, Rao Bahadur S. S. Talmaki, Mr. G. K. Devadhar, Mr. H. B. Michael, Mr. P. K. Jambhekar, Mr. F. A. C. Rebello, Mr. Powers, Mr. H. V. Rajwadkar, Mr. V. R. Sirur, Mr. Shantirai B. Mehta, Mr. L. G. Khare and Mr. D. D. Subnis. Messrs. S. N. Karnad, S. A. Brelvi, Vaikunth L. Mehta and N. M. Joshi, (*Joint Secretaries*), Mr. Hairat F. Dastur. (*Treasurer*.)”

The reasons for having a Committee of this nature have already been explained in the paper by Mr. Karnad, and they were also briefly indicated in my introductory remarks yesterday. I therefore simply put this recommendation of the Committee before you for your acceptance. I might inform you that there are committees to take action under different subjects, for instance, there will be a Committee in accordance with the report of the Sub-Committee No. 3 for the formation of the Small Industries Association, and there will also be a Committee to consider the question of Co-operative Life Assurance as recommended by Sub-Committee No. 6, and it will be the duty of the Committee of the Conference to expedite the reports from these Sub-Committees and to publish and circulate them to different societies and persons interested in the movement. The Committee might stand in need of money to print literature regarding the work of the Conference. It is the duty of Co-operative Societies in Bombay to see that the Committee's work prospers and to subscribe to the funds that the Committee will stand in need of.

Mr. S. N. Karnad in seconding the resolution said:—I beg to second the Resolution moved by Rao Bahadur Talmaki. We non-official co-operators in Bombay are labouring under certain disadvantages. One of the daily papers in this City remarked that the co-operative movement is kept under the leading strings of Government. There are no two opinions about the fact. The movement itself is a great one, but Government have hemmed it with all kinds of restrictions. Those who have studied the proceedings of the Imperial Council when the Co-operative Credit Societies Bill was under consideration will have seen that speaking on the measure in the Council, Lord Curzon said that it was for the people to make it a success.



Non-official co-operators have been working under these conditions for the last 10 years. We find that we still labour under certain disadvantages. It is said that the co-operative movement is a national movement, and if it is to fulfil the objects it has in view, we can do so only by organising a Conference from year to year. I therefore second the resolution moved by Rao Bahadur Talmaki.

Mr. Hairat F. M. Dastur in supporting the resolution said:—Before I support the resolution, so ably moved by our friend, Rao Bahadur Talmaki, and seconded by Mr. Karnad, I beg to offer a few remarks. I make bold to say that, in spite of the apprehensions entertained by some who thought no undertaking of this kind could be successfully organized without the guidance and advice of the Departmental staff, it has achieved a gratifying success. It is a matter of pride that the first un-official undertaking of this kind has been enthusiastically supported by those interested in the co-operative movement. I, personally, believe that it is much better to learn and study by committing mistakes so that we may learn to avoid them in the future. It is far better to learn our lessons at the feet of our own rishis and workers than to depend upon outside agencies, whose will is at times a law. I am of opinion that movements like these should be left in the hands of the non-officials to secure good and beneficial results. It will not be wrong when I say that we have reached a stage when it is much better to rely on our own endeavours and we can now safely drop the official patronage for the good of the progress of the movement. I, therefore, think it wise to hold Conferences like this year after year as this will help us to understand our real wants and our difficulties. It is a matter of gratification that a representative Committee has been appointed to organize annual Conferences and to draft the constitution and to collect funds for the purpose. I am sure all co-operators and those interested in the movement will not only help us with their advice and suggestions but will contribute freely towards its funds. With these remarks I have great pleasure in supporting the resolution so ably moved by Rao Bahadur Talmaki.

Mr. L. G. Khare in further supporting the resolution said:—I am asked further to support this resolution, and in doing so, I should like to notice only two points. This Committee will be the one important Committee which will have to go through the reports submitted by other Committees which have specific duties entrusted to them. Doubts have been expressed about the utility of such a large working Committee. During the year before us, the Committee will have to deal not only with important subjects such as an association for small industries, but will have also to deal with many technical questions and we all hope that this Committee will be able to forward practical proposals for consideration of the next year's conference. I therefore support the resolution.

The President in putting the resolution to the vote said:—I have only to add a few words. The Committee, as my friend Mr. Khare said, will have a very heavy work to do. It has not only to see to the technical side of co-operation but it will have to consider each question in its practical aspect too. I know what labour Rao Bahadur Talmaki and his co-workers must have been put to in organising this year's Conference. If a larger number of people could be found to take interest in our movement every year, we shall be able to show better work, and that work will be a most important one. We have to educate people in the value of co-operation and get volunteers to do the work. It is a very heavy responsibility that is thrown on the Committee. I hope you will all be able to understand that responsibility in the right spirit, and thus make every Conference a complete success. It is a question whether we should limit our activities to Bombay city only or extend them to the Presidency generally. There is a Provincial Conference which is more or less an annual function. Then there are divisional Conferences. We are going ahead in getting a conference for the city of Bombay. It is a very large question whether we should ask the Registrar and the Government to give up the work of calling the Provincial Conference and allow us to call that Conference in Bombay. It is a question that might be considered by this Committee. If we confine our activities to the city of Bombay, probably we will not get such support as we might get from the whole of the Presidency. We should meet the Registrar and try to arrange to hold in Bombay a Conference not only for the city of Bombay, but for the whole of the Presidency.

The resolution was then put to the vote and carried unanimously.

### **The Hon'ble Mr. Purshottamdas' paper.**

The President then requested the Hon'ble Mr. Purshottamdas Thakurdas to explain his paper on "Co-operative Societies and the Marketing of Cotton".

Mr. Purshottamdas Thakurdas said:—I owe an apology to the Conference for more reasons than one. When I sent in this paper, I was not aware that the matters to be discussed here were those concerning the city and suburbs of Bombay only.



next one is that I was not able yesterday to attend the Committee meeting. Without taking much of your time I shall put before you the main outlines of my paper. It is recognised by all that the Indian cultivator is in a very indebted condition. He requires money before his crops are matured. Perhaps for the purpose of sowing he has to incur debts. During that period he has not only to maintain his family but to get other material assistance which is necessary to see that the crops are matured. He sells the crop to the Sowcar of the district. The facts are that the rate at which the cultivator is paid for that crop is not anywhere near the rate which would be procurable if he had the means of selling the crops in the Bombay market. As I put in the paper, these margins that the Sowcar reserves to himself vary from 30 to 100 per cent. Supposing the cultivator were selling his crops in August or September, Khandesh cotton fetching, say, Rs. 250 in Bombay, the Sowcar would pay Rs. 200 or even Rs. 100. No doubt the Sowcar takes some risk in buying from the cultivator. If the crop fails, it is very difficult for him to get back his money. He has to go on giving credit to the cultivator, and wait for the season when he would expect that his money would be returned. However these are risks which are more or less rare. They do not occur every year. There is a fair margin between the rate at which the Sowcar buys and what the cultivator might get in Bombay. If the Sowcar without the facilities that are available to a Credit Bank for recovering money from the indebted cultivator takes the risks, I think the risks may well be taken by a well-managed Co-operative Credit Society. All that I suggest is that Co-operative Societies may undertake this work of bringing together the cultivator's crop and sell it in the open market in Bombay, and only charge the cultivator a certain rate of interest, 6 or 9 per cent., on the money advanced to him before he begins his cotton cultivation. The money which the cultivator wants is before the monsoon. The only difficulty is that there should be at the head of such co-operative society a person well in touch with cotton market in Bombay. If you could secure one, I think the advantages could be immensely increased. These, as I said, are the broad outlines of my paper. Cultivation of cotton in India is on the increase, and cotton has been fetching higher and higher prices, and if the work is done on these lines the chances of doing good to the cultivator are not only great in themselves but they are sure to be apparent even to the cultivator himself. I leave to others more expert than I to touch up the bare outlines of the scheme I have suggested. I consulted a friend of mine, who I think is sufficiently well-informed in these matters, and his opinion in reply was that the scheme is very sound and practical, but the difficulty is to get the right sort of person. With the sort of firms that are doing the business of buying cotton in the up-country districts and with their Indian agents, I personally do not think that it is difficult to make a beginning with half a dozen co-operative societies, and, if a beginning is made, I shall be able to give half a dozen men who would see the whole scheme going. This Resolution on my paper has been recommended by the Committee. It is good enough as far as it goes. It only says that the object should be to keep cotton cultivators in good touch with the cotton market in Bombay, whereas the main point is that if the cultivator wants money on the standing crop, the co-operative society should be in position to give monetary advance, thus replacing the Sowcar. This Conference is concerned with what is possible in Bombay only. This resolution should commend itself to you, and I should be quite satisfied if this Conference passes this Resolution.

The President:—I do not think the village co-operative society will find difficulty in advancing money. It was good of Mr. Purshottamdas Thakurdas to give us his opinion as an expert in this business. I think much good could be done to the cultivator if these agencies that are proposed to be started are worked on right lines.

### Consideration of Report of Sub-Committee No. II.

Sir Vithaldas Thakersey proposed the following resolution framed by Sub-Committee No. II on the paper contributed by him on "Co-operation among Factory Hands."

#### Resolution I.

This Conference approves in principle of the views expressed in Sir Vithaldas D. Thakersey's paper, and, while appreciating the efforts made by certain mill-owners for ameliorating the condition of their employees, strongly recommends the mill-owners to establish an Organization in order to undertake, in co-operation with the Social Service League, Bombay, the work of starting and supervising co-operative societies among mill-hands. In the opinion of this Conference the present is the opportune time—when the Mill Industry is in a flourishing condition—for initiating a movement which will conduce to the great benefit of the factory workers. Copies of this resolution be sent to the Mill-Owners' Association and the Social Service League.

In proposing this resolution Sir Vithaldas said:—This Committee was appointed to consider my paper and the paper of Mr. G. K. Devadhar and Mr. A. V. Thakkar about the "Diffi-



culties of Debt Redemption among the Poor." I have already explained yesterday the gist of my paper, and the resolution which I am now proposing for your adoption accepts the principle of that paper. I therefore put the resolution for your acceptance.

Mr. N. M. Joshi of the Servants of India Society, in seconding the resolution, said:— I have great pleasure in seconding the resolution which has been moved by Sir Vithaldas, as regards the starting of co-operative societies among mill-hands. The difficulties of factory workers in Bombay are several. In the first place these people are very ignorant. Hardly one out of hundred knows reading and writing; secondly, they are compelled to live in houses which are dingy, dark and insanitary, and the rooms are small, without air, and without light sometimes it may be. Then these people have to work in factories which, with due apologies to the mill-owners present, I must say, are not what they ought to be. They have to work for 12 hours a day. They have to work under conditions which would never be tolerated in other civilized countries. I know our mill-owners always feared that if we introduced those rules and regulations governing factory conditions which are prevalent in Europe and America, they would not be able to compete with mills in Europe and Japan. As a person interested in the welfare of mill-hands, and as one who has studied a little of this subject, I must say that the fears of the mill-owners will prove to be illusory even if we introduce a 10 hours' working day, and even if we also introduce other legislation in the interests of the mill-hands. Then there are other difficulties. There is the difficulty of these peoples' indebtedness with which we are concerned in this Conference to-day. The mill-hands grow more and more indebted, and Sir Vithaldas has explained some of the causes. I will add one more. When the mill-hand comes to Bombay, he comes without money in his pocket. The mill-hand does not get his first pay for two months. Suppose he comes in April, he works for the month, and he gets his pay for this month at the end of May. Naturally even a man in my position if he is asked to live without any money for two months, I am sure, will become indebted. If the mill-hands become indebted, the first cause is the belated payment of their first pay. I may say that if the indebtedness of the mill-hands is to be stopped, some arrangement must be made by which they will be able to get their first pay earlier than they do at present. The mill-hands drink, and it is one of the causes of their indebtedness. They spend a good deal on marriages, as so many of us do, but in my opinion drunkenness and other causes of indebtedness are not certainly to be found among the mill-hands only. Now taking for granted that these people are indebted, we must make some effort to get rid of their indebtedness. Sir Vithaldas has explained to you the difficulties that lie in the path of starting co-operative credit societies among these mill-hands. They do not know how such societies should be started. They have no security to offer to those who may be prepared to advance them money. Sir Vithaldas has said that the managers of the mills are not much interested, or even if they are interested they have very little time to look after the welfare of these people. Although these difficulties exist, I think, and many of you will also think, that if persistent efforts are made to remove these difficulties co-operative credit societies can be started with success among these people. The elements necessary for the success of co-operative credit societies are these. First of all there must be the need for such a society. As regards this I need not say much. Sir Vithaldas has said in his paper that a mill-hand is indebted to the extent of Rs. 100 or 150. The second element is that the factory workers should be fit for co-operation, namely, that they should be honest as other people who have started such societies are honest. Then these people must have the spirit of co-operation, namely, the spirit of working together. As regards this point also, although some people will be found to speak against these factory workers, I think, and those of you who have worked among them will see, that they are sufficiently honest. Then there is the need for guiding these people in starting the movement and developing it. No doubt, they are ignorant, but in a city like Bombay there should be no want of sufficient guidance for them. The co-operative movement in India is not yet developed to the extent to which it is developed in other countries. But in our present stage, there are co-operators in Bombay like the Chairman of the Conference Committee, Rao Bahadur Talmaki, and others who will give sufficient guidance to these people. The difficulties in starting co-operative societies among these people will be many, but you are all told that the difficulty of money will not be very great. At present the mill industry is very prosperous, and the mill-owners can very well spare money for the use of these societies. As regards the prosperity of the mill industry I have to say one word. I do not consider that it is only now that there is prosperity in the mill industry that there should be the need for work for bettering the conditions of the employees. If we admit that co-operative societies in the interest of mill-hands are to be started only when the industry is prosperous, I think we shall be making a very great mistake. If they are to be helped, they must be helped at all times, whether the circumstances are favourable or are adverse. When the mills are started and conducted, the mill-owners make provision for the sinking and depreciation fund for



### XVIII Difficulties of Debt Redemption among Urban Labouring Classes.

The scheme for redeeming the indebtedness of the labouring classes in cities by means of co-operation may be said to be a unique idea peculiar to the Bombay Presidency alone, considering the scale of its work in that Presidency.

That the labouring class in industrial cities is becoming increasingly numerous and is heavily debt-ridden and therefore entitled to claim co-operative facilities equally with the agriculturists can hardly be doubted. But while it has been found easy to grapple with the problem of agrarian indebtedness, the problem involved in organising the credit of the labourer, pure and simple, presents enormous difficulties. The former class has some sort of a substantial asset to depend upon which entitles him to obtain credit comparatively on easy terms and can be helped further to augment his income by better agriculture and better business. In the case of the labourer in cities his business is necessarily limited while his impecuniosity involves an unduly high charge of interest on his income which in addition is severely taxed by a better but more costly style of living necessitated by his residence in a civilized community and exposure to a variety of temptations for a luxurious mode of life.

The terms on which a labourer in difficulties is required to borrow money as his initial capital requisite for starting life on arrival from his native place are extremely prohibitive, the rate of interest ranging even as far as 150% and never less than 75%. It is an interesting study to note the stages of his indebtedness. This has the effect of forestalling all his future chances of welfare and he is forced to become from the very beginning an unwilling slave of the money-lender who continues to retain his hold on him almost to his dying day.

That co-operation really does, and ought to help, a labourer in improving his situation nobody would deny. But although it is now a fashion to call a combination for mutual help as the only means by which the liberation of labour from the shackles of usuary is possible, no credit, unassisted by property, has been found quickly acceptable in the ordinary market, and this fact may be cited as one of the first difficulties in attempting a scheme for prompt and substantial redemption.

"A combination of men and not money;" "one for all and all for one"; and such other familiar postulates are seldom found to be of much worth in the peculiar circumstances in which the labouring class in cities is at present situated. The labourers can hardly yet be called a class by themselves. They are a loose and heterogenous mass of manual workers collecting in cities for individual profit, with no education to create an *esprit de corps* and crystalize into distinct lines, and unfit through want of education to understand and avail themselves of a combination to enable them to acquire strength and mutual protection and thereby to solve the present difficulties and build a prosperous future for themselves and their posterity.

It can, however, be safely said that in spite of the factor of instability of some portion of the labour population of cities, a substantial number of people are gravitating to form a stationery labouring class and it is for such labourers that some scheme on a co-operative basis can be of use. The mill-hands are becoming a class by themselves and statistics collected in Bombay show that they are a class amenable to a co-operative combination with due safeguards of selection by proximity of residence, employment in the same mill, or recruitment from the same native place or neighbourhood, and steady employment. Thus any person interesting himself in this line of co-operative work is faced with two difficulties at the outset. The first is to find and collect individuals fit for combination and the second is to find capital to extricate them from debt and help them to proceed with their business. Capital obtainable for this work is necessarily limited in its magnitude, because it is not assured by any real assets. It has to be obtained with greater difficulty and at higher rates of interest, because money so invested does not bring returns *readily* to appeal to the investor. The second difficulty is to group people desirous of co-operation into suitable combinations so as to secure good results with the least amount of labour, risk and cost consistent with efficiency.

The investor in such ventures, therefore, must be charitably disposed and needs to be attracted by the offer of high interest; and the co-operator on his part must possess high moral virtues and must be honest above all things.

Assuming that it is possible to get together both these factors, the third difficulty is how to obtain staying capital. The redemption of a wage-earner can never be possible unless he is able to repay his loan patiently and in small instalments. But in the business world, capital is loath to wait a number of years on an apparently unsubstantial security. And the result often is that it is called in much earlier than it would be prudent to withdraw it in the natural course, a step which may hamper the work of redemption and injure the cause of co-operation.

The gains of the labourer are subject to variation in the same manner as those of agriculture. The agriculturist is dependent upon the natural elements for a steady harvest. The wage-



earner for continuous occupation; agricultural gains may be upset by failure of rain or other causes; the labourer by brisk trade or its suspension. He may also be affected a great deal by ailments or other domestic mishaps. The uncertainties of continuous employment which, therefore, ought to be taken into account, make it all the more necessary that the capital must be available for a longer period of time than is necessary in the ordinary course.

The management of any co-operative organization must be in the hands of those who are to lose or gain by it. The next difficulty, therefore, is that of finding sufficiently enlightened and willing workers to undertake the management. But it would be imprudent to wait before the people are able to take care of themselves. Co-operative societies ought not only to be the agency through which actual pecuniary benefits accrue to the members but also the schools in which members are trained to understand and undertake their share of organizing, maintaining and conducting the institutions themselves. In order that this may be possible the intervention, temporarily if need be, of a central body of workers, interested in the welfare of the people has become a necessity to remove which the enlistment of active, sympathetic, and disinterested workers, assisted by such paid staff as may be necessary, must be secured.

This central body is not only necessary for training co-operators in their work and generally supervising the work of co-operative societies, but it has also a more important function to perform *viz.* to negotiate the credit of these societies and to obtain the requisite funds for conducting them and to arrange for the safe distribution, collection and repayment of those funds on due dates, and to obtain renewal of such funds as their owners are in no hurry to recall.

The whole scheme of redemption, apart from the difficulties already set forth, hinges on the gradual and steady growth of the societies' own capital. The usual methods by which this is arranged for is to induce members to save small sums from their monthly income over and above the instalments which they must pay so as to slowly discharge their liability.

In order that a member may be enabled to save this small quota for his commonwealth we must be sure that his income is not only sufficient to afford this deduction but that it can easily afford the regular payment of the monthly instalments towards the discharge of his debts. Any calculations made on probabilities must take into account the following points:—

1. Steady and continuous employment.
2. Unforeseen expenses due to sickness, mishaps, ceremonials in connection with births, deaths and marriages and the social necessity of being hospitable to guests.

If the income is found to be insufficient, measures must be contrived to supplement their incomes by means of bi-occupations to be brought within the reach of the member and his family, and the best use made of spare time and available labour to carry out these occupations and facilities created for marketing the products advantageously. Steps are also necessary gradually to win the member to appreciate the need of economy.

Whether the proportion of the burden of debt already incurred to one's income after providing for items one and two, is such as may in a reasonable number of years, enable one to be free from debt, requires on the part of the co-operative worker the exercise of the highest skill and acquaintance with the daily life of the poor labourer. Before the members can acquire this skill, they must naturally depend on the central institution for guidance and it is the adjustment of funds in a manner to vouchsafe the punctual return of instalments which becomes the primary duty of a central institution. Naturally, the functions of the central institution become the most important factor in initiating a scheme for redemption of the labouring class in cities, the success of which depends on the class of people that can be persuaded for working it.

First and foremost is the necessity of finding devoted people who can enthuse men with the right spirit for co-operation. They must be not only full of ideas but firm and patient in practically handling cases and dealing with all matters of detail with an undaunted and cheerful spirit and with faith in humanity avoiding all extremes.

It must not be forgotten that this is a work in which the pioneers have not only to find out people willing to follow them but also deal with a mass of men steeped in ignorance, unacquainted with thrift and more prone to vices, and willing to lie deep in debt as fish do in water. They are unable to think beyond the present moment and are regardless of the future.

In spite of these discouraging factors, it must be admitted that the majority of the labouring class, if it is brought into contact with a truly co-operative and sympathetic attempt to bring home to them their situation, are shrewd enough to understand it and are willing to follow the leadership of a trusted pioneer as soon as they discover his motives in approaching them. There are people who reciprocate trust for trust. It is only necessary rightly to understand them and to touch their heart.

In laying down some of the points above enumerated the writer of this paper is guided chiefly by his experience in this kind of work which he has been conducting under the auspices



replacing their machinery etc. and I do not know why the money which is required for starting co-operative societies should not be put aside as part of the working expenses, instead of being taken out of the excess profits earned in prosperous times. Thus in my opinion this expenditure should be incurred even when the industry is not prosperous. Gentlemen, I shall not detain you long in speaking on this resolution. The resolution mentions that the mill-owners should combine in this work, and I think this sort of organization and combination will be helpful to the work of starting societies among these people. A large staff, and a trained staff will be necessary, and I think a great economy can be effected if all the mill-owners work in harmony. As regards the Social Service League, I may assure that the League will be prepared to do what little it can in this matter. I am sure you will pass this resolution, and give the weight of your opinion to when it is sent to the Millowners' Association.

Mr. C. B. Lalaye supported the resolution in Marathi.

Mr. S. G. Devrnkhkar in further supporting the resolution said, I am not going to detain you long on this subject which has been exhaustively treated by Sir Vithaldas and by Mr. Joshi. I will give you a little experience I have had while staying and working among millhands. The status of the millhands is most pitiable. As to why this is so, there are a thousand and one opinions. From my own experience I can say that the first reason why a millhand gets into such a state is his indebtedness, and, as described by Mr. Joshi, the moment he comes to Bombay he gets into debts. The money-lender is also the grain-dealer. So for the first two months when the mill-hand does not get his pay he is supported, maintained, and every care is taken of him by the money-lender and grain dealer and from this time the millhand gets into the clutches of the money-lender. After two months when the mill-hand gets his pay, he hands it over to the grain-dealer, and thus further gets into debts. He practically becomes the working tool of the grain-dealer because for two months he has been supported by the money-lender. When the mill-hand gives over his two months' pay to the grain-dealer, the latter makes what is called the *hisab* हिसाब and practically deprives the mill-hand of his whole pay. One thing necessary is to bring them out of the clutches of the money-lender. We have the experience of some of the mills, and we see that if we rightly begin in this direction, much can be done to better the position of the mill-hands. I would lay stress on the point not so much in the interest of the mill workers as in the interest of the mill owners themselves. If these mill-owners seriously decide upon work for the benefit of their employees, they will benefit themselves. If the unpaid wages which is such a big item could be used for the benefit of mill-hands, the co-operative movement among these people is sure to be a successful one. With these words I support the resolution.

Mr. A. V. Thakkar of the Servants of India Society proposed the following supplementary Resolution No. II. recommended by the same Sub-Committee:—

#### Resolution II.

This Conference appreciates the work done under enormous difficulties by the Debt Redemption Committee as described in the papers of Mr. Devadhar and Mr. A. V. Thakkar and hopes that Government will give more liberal help in future towards the cost of supervision of the societies under the Committee. A copy of this resolution be forwarded to the Government through the Registrar.

In proposing this resolution, Mr. Thakkar said:—The Debt Redemption Committee has been working for the last 3 years for the poor of Bombay minus the mill-hands. On a rough calculation the poor population of Bombay number about five lakhs, of whom millhands and their dependents are two lakhs. So three lakhs of people will be touched by the operations of the Debt Redemption Committee. At present the Committee has been able to do very little work. Only about 20 societies have been started and 600 people have been brought under the operation of these societies. There is a vast field for work amongst the cartmen, the victoria drivers, among the hamals working in different companies, the coolies working in the docks, also among the municipal employees, and in our familiar Bhaiyas (milkmen), and other artizans. There is scope for no less than two thousand societies among these people. The work of starting a society is a very slow and tiresome process. The principles of co-operation have in the first place to be explained to these people, otherwise they look upon the society with very great suspicion. And this is not a thing which can be done by volunteers. The real need is for missionaries. The Government of Bombay have been giving Rs. 500 as assistance to the Debt Redemption Committee for the salary of Inspectors and other expenditure. Recently the Council of the Governor of Bengal have recommended an expenditure of Rs. 50,000 for temporary staff to be engaged solely for starting societies to develop indigenous industries and agricultural organiza-



tion. Therefore if the Bombay Government were to give us a large grant for engaging a staff which would do no other work but starting poor men's societies, there will indeed be very great work done. The present grant of Rs. 500 is insufficient, and this resolution asks the Bombay Government to give a liberal grant. I therefore commend this resolution for your acceptance.

Mr. K. S. Gore in supporting the resolution Said:—

I wish you not to misunderstand my persence here. Many people know me as a person directly concerned with the Registrar's Department. I rise to second this proposition not as an auditor of societies, but as a private individual, because I am at present on furlough. Whatever I say will not commit Government to any fixed policy that Government should contribute more liberally than what they have done for this huge work. Perhaps whatever they have done is done with success. But in order that the success may be maintained depends on the funds the Debt Redemption Committee can command. There must be public-spirited men like Sir Vithaldas and Mr. Lalubhai who have contributed not only to the loans, but also to funds charitably for bringing medical relief within the reach of the poor of Bombay. The proposition claims that the money expected from Government should be for supervision of the societies under the Committee. Mr. Thakkar points out the difficulties of starting societies. There must be continued propagandist and educational work supplemented by spervision and control. The people are to be taught how to keep accounts, how to grant loans and how to strike balance sheets. For the educational work, money should come not only from Government, but also from public spirited men. I have very great pleasure in seconding this resolution.

Mr. N. D. Kadam supported the resolution in Marathi, and Mr. Samant Marwadi further supported it in Gujarati.

The Resolution on being put to vote was carried.

### Consideration of Report of Sub-Committee No. III.

Prof. A. R. Burnett-Hurst proposed the following resolution recommended by Sub-Committee No. III on Rao Bahadur Talmaki's paper on "Co-operation in Small Industries:"

This Conference recommends the formation of a Small Industries Association in Bombay on co-operative lines, with the object of encouraging small industries. The activities of the Association may consist of:—

- (a) the collection and publication of information and statistics regarding the present condition of small industries and the people engaged in them ;
- (b) the purchase and sale of raw materials on behalf of workers in such industries and the marketing of their finished products,
- (c) affording technical guidance to people carrying on or starting small industries and encouraging the improvement of methods of work and of the quality of goods ;
- (d) the formation of co-operative societies among workers ;
- (e) provision of funds to the workers, to groups of the workers and to societies ;
- (f) propagandist work by lectures and publication of leaflets.

The sphere of activities of the Association should at first be confined to the city and suburbs of Bombay.

The Committee named below do take the necessary steps for the formation of such an Association and submit their report to the Conference Committee within two months:—

The Hon. Mr. Manmohandas Ramji (*Chairman*), President of the Indian Merchants' Chamber & Bureau, Secretary of the Indian Merchants' Chamber & Bureau, Rao Bahadur Talmaki, Mr. K. S. Iyer, Prof. A. R. Burnett-Hurst., Mr. V. V. Jairajani.

Mr. K. B. Joshi and Mr. H. F. Dastur. *Joint Secretaries.*

In proposing this resolution, Prof. A. R. Burnett-Hurst said:—I should just like to say a few words. First of all there has taken place in recent times a movement for encouraging small industries in different parts of India, and a few associations have been formed, one in Calcutta, another at Cawnpore, which is run by the Department of Industries, and a third one at Bangalore. The object is to encourage domestic industries by putting the products of those industries before the public to catch the eye of the people. In Bombay we have nothing of the sort. We have something approaching it in the Swadeshi Stores, where a certain number of products which are not found in other shops are stocked. But nothing has been done with the sole and express purpose of developing and encouraging small industries.



Now the present time is very opportune for starting such associations in Bombay for several reasons, the chief of which is, in the first place, that these small industries have suffered considerably in many cases during the present war. I will give one or two examples. In Tanjore decorative pith-work has been carried on by families for some time, but owing to American tourists, who used to buy these pith models very largely, not visiting India in consequence of the war, there is no demand at all for these pith models. The result is that the industry is declining to such an extent that if nothing is done to prevent the decline the industry will die. Similarly you will find that domestic weaving has been very hard hit on account of war through the shortage of dye-stuffs and of necessary tools. Now that is one reason why in my opinion it is time we started an association in Bombay. Bombay has so far been benefitted by its staple industry, but if we investigate matters we shall find that there are great many small industries in Bombay that have been badly hit by the war. The second reason in my opinion why we should endeavour to start an association of this kind is that owing to the shortage of tonnage we have to depend more and more on home industries, and here is a chance to try and develop home industries some of which are so little known to the public. The public will know and patronise the products of those works. The recent Bombay Food Products Exhibition was an eye-opener to a great many people in this respect. The general public were quite unaware of those industries. It is only by going to the slums of the town that you discover many of those industries. I should like to draw attention to one point in the resolution. You will notice that the committee has to submit a report within two months. From this it is clear, that our Committee do not believe in grass growing under their feet. If you are serious about getting a thing done, the best way is to give a committee only a short space of time to make up their minds. We have determined to try and form this association. I have much pleasure in moving the adoption of this resolution.

Rao Bahadur S. S. Talmaki in seconding the Resolution said:—I do not wish to add anything to what has been said by Prof. Burnett-Hurst an account of the short time at the disposal of the Conference. Consequently I only support the resolution with the greatest pleasure.

Mr. V. V. Jairajani supported the resolution in Gujrati.

Mr. A. B. Modak in supporting the resolution said:—

I think I must give my hearty support to the resolution which has been commended to you. This work has been taken up by some Government organization in England. In India it is absolutely non-existing. The reason why I congratulate this Conference is that they are taking up a lead in a matter which affects the interest of the industrial world very closely. I should draw particular attention to item No. (c) marked in this Resolution 'affording technical guidance.' I can assure you that I have known hundreds of cases in which for want of this information many artizans, as a matter of fact, who could have started small industries could not do so. Not only that, but the little technical skill which they had practically died with them, and this item No. (c), if it is carried into operation will avoid all that. The last paragraph that the report must be made within two months will enable us to take advantage of the present position. With these few remarks I would beseech you not to look to Government to assist you in doing this. If you depend upon any Government aid without doing anything yourself, then the report as soon it is drawn might be consigned to oblivion. We need not ask Government to finance this. With these few remarks I commend this resolution for your acceptance.

Mr. K. B. Joshi in further supporting the Resolution said:—The resolution has been eloquently moved by Prof. BurnettHurst and ably seconded and supported by Rao Bahadur Talmaki and Mr. A. B. Modak. This resolution in my opinion stands foremost among all the resolutions that are moved up to now as it gives help to indigenous industries. I give importance to this particular resolution, as it is very essential and of the utmost importance at the present juncture. Hundreds of artizans in the city of Bombay are thrown out of employment for want of funds, and if we could do something by way of helping them in the form of funds, and provide them with the necessary facilities, I think we shall be doing tremendous service to them. I think if we carry on this movement of co-operation to a successful issue in the immediate future, we shall be doing great service to the cause of the Swadeshi movement. With these few words I support this resolution with all my heart.

The President:—The work proposed to be done in item No. (a) of the Resolution has been done by the Hon. Mr. C. Y. Chintamani. He has collected certain information for the last 2 or 3 years on this subject. We might get the benefit of that information. Before putting the resolution to vote I propose to add to this Committee the name of Mr. V. V. Jairajani, who from the speech he has made seems to hold definite opinions on the subject.

The Resolution was then put to vote and carried.



### Consideration of Report of Sub-Committee No. IV.

Sir Vithaldas Thakersey proposed the following resolution recommended by Sub-committee No. IV on Mr. Ramnikrai Mehta's paper on "A City Co-operative Bank":

This Conference believes that the proposal for the establishment of a City Central Bank is worthy of further consideration and is of opinion that the paper should be referred to the Conference Committee for detailed examination and for such action as may be deemed necessary:—

In proposing this resolution Sir Vithaldas said:—The Committee was unanimous in framing this resolution. The only question is what is to be the capital and how to make it up. I need not take up your time by speaking at length on this resolution. I can do no better than commend this resolution for your acceptance.

Mr. K. S. Gore in seconding this resolution said:—The proposition is more or less in the form of a suggestion to consider and take action in several things which we have been discussing in the sub-committee. There is no doubt that a central institution which will be the centre for financing societies in Bombay is necessary. One is surprised to find that it was not formed up till now. The paper suggests the formation of a bank without making any practical suggestions. Therefore it was right that the Committee came to unanimous understanding that the subject should be discussed in more detail by the standing committee of the Conference. In future not only will a great impetus be given to our movement by the starting of a central bank, but it will serve as a means of centralizing and balancing the funds of all co-operative institutions in the City, and also be a help to the several types of industrial and poor men's societies which we are going to have among us. I support the suggestion made by Sir Vithaldas.

Mr. N. S. Kowshik in supporting the resolution said:—I beg to support this resolution, and in doing so I would say that the Committee have thought fit to word it so cautiously as to make it harmless. I have much pleasure in supporting this resolution.

The President:—Merely passing a pious resolution like this would have no effect. A small bank started to finance a small industry will not avail. As one of the speakers said voluntary effort often spoils our work. On the other hand, some of us feel that as an experimental work it should be carefully considered. We must try and meet the wishes of both sides, and I agree with the resolution on general lines. The best course would be to refer the matter to the permanent committee, and then prepare estimates and work out from figures whether it would be a paying concern. If the Committee finds that the time has not yet arrived for starting a city bank it should report to you next year, and say for what reasons, it has not been able to decide up on the starting of a bank at present. The committee should consider the whole question very carefully.

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### Consideration of Report of Sub-Committee No. V.

Prof. Burnett-Hurst proposed the following resolution recommended by Sub-Committee No. V. on Mr. S. S. Mehta's paper on "Stores for the Poor" and Mr. M. B. Mehta's paper on "Co-operative Cloth Stores".

(1) This Conference appreciates the principle underlying the formation of a Consumers' Association and welcomes any experiment in that direction.

(2) This Conference is of opinion that the present time is opportune for the establishment of general stores on co-operative lines.

In proposing this Resolution Prof. Burnett-Hurst said:—With regard to Consumers' Associations there are great difficulties to be faced. First of all the question arises for what section of the community are you going to start this association? Are you going to start on the basis of persons of particular occupations, or persons living in particular localities? If you are going on the basis of occupation, then persons in the same employments are scattered throughout the city, and you will not enjoy the necessary convenience in distributing the articles. If you go on the basis of locality, then the question arises, that people as a rule are drawn to their own community, and there is a lack of confidence, and what is more you would hardly get a sufficient number of persons to make a successful society. Success would depend on the confidence you have in one another, the education of the people, and also the number of people who will join the association. So, the Committee was of opinion that the whole question bristled with difficulties. They appreciated the principles underlying the formation of such societies, but they were not willing to recommend any thing definite themselves. They would welcome an experiment made by any group of people. It is just the time to start a general stores. Such a store would be of great use to all classes of the com-



munity. So that I think if action is taken at all, it should be on the lines of the general stores first. I have much pleasure in moving the adoption of this resolution.

Mr. S. S. Metha in seconding the resolution said:—I have very great pleasure in seconding the resolution which has been so ably moved and commended to your approval by Prof. Burnett-Hurst. It is a comprehensive movement, the establishing of the co-operative store, not for the poor alone, but for all people in general. The only point that I would refer to would be this. We are generally diffident when we are told that there have been failures in the working of stores. Even in Germany, we know the stores movement has failed. This should not make us diffident about our future work. The initiative is everything. So we shall achieve success when we scale the first and then the next rung of the ladder. When the cry is for redressing the grievances of the poor, we should have our eyes exactly fixed upon this one point, that the crying need which is felt at present for such a store as this must be satisfied, and that the present being the most opportune time, we should not neglect this favourable opportunity, but should utilize it to the utmost. The work of this store in our midst is to be carried on co-operative lines, which means of course the democratic control of our own economic position. With these words I second the proposition.

Mr. S. B. Mehta in supporting the resolution said:—The Committee's proposal shows that it has moved back, and only expresses a pious wish that the Conference appreciates the principle underlying the formation of Consumers' Associations and stores whereas the last Provincial Conference decided unanimously that this is the opportune moment for making a vigorous movement for starting stores on co-operative lines. It shows however the sense of responsibility with which the papers have been considered by the Committees. This Committee hesitated in making a definite proposal, for unfortunately we were given a number of examples of failures. I think that if we are to be frightened by these failures, we cannot do any useful work. These failures instead of depriving us of any useful effort, should inspire us to renewed efforts. I therefore support the resolution.

Mr. G. S. Deshpande further supported the resolution in Marathi.  
The resolution on being put to vote was carried.

### Consideration of Report of Sub-Committee No. VI.

Mr. K. S. Aiyar proposed the following resolution recommended by the Sub-Committee on papers by Mr. Hairat F. Dastur and Mr. P. K. Jambhekar, respectively, on "Co-operative Life Insurance."

This Conference is of opinion that it is desirable to encourage life insurance among co-operators everywhere, on account of its highly educative value in promoting thrift, and considers that it is practicable to devise a scheme for the purpose and therefore recommends that a special committee consisting of the undermentioned gentlemen be formed to frame a practicable scheme and submit the same with details to the Conference Committee:—

Messrs. K. S. Aiyar (*Chairman*), M. R. Tambe, D. G. Vin, H. F. M. Dastur, S. S. Talmaki, Dr. Erulkar, Messrs. P. K. Jambhekar, V. J. Dhond, V. M. Dubashe, S. B. Cardmaster, (*Secretary*).

In proposing this resolution Mr. Aiyar said:—Two papers were submitted to the Conference on the subject of Co-operative Life Assurance. I hope there are no life assurance agents here who will look with contempt on this resolution. The amount of expert knowledge that these agents possess is not possible from co-operative societies. There is official red-tapism which controls municipal and so many public associations. Exactly the same way as long work and experience bring success in any business, so life-long work in life assurance on co-operative lines will bring success to those who work strenuously for it. It may be thought at first-sight that co-operative life assurance is an impracticable proposition. After the spirited discussion last evening, the Committee makes recommendation embodied in the resolution, which, I am asked to move. Notwithstanding the fact that there are many life assurance companies, the educative value of life insurance is not understood throughout the country. Therefore, if members of co-operative societies in the mofussil take it into their head to carry on an educative propaganda, the advantages of life assurance will be easily understood by the people. When a bread winner of the family dies, the forlorn condition of the family is not very difficult to understand. The subject of life assurance on co-operative basis wants a little more preaching. It is possible to provide a remedy for the condition in which a family is thrown by the death of its bread-winner. It is highly desirable that such work should be undertaken by members of a co-operative society. The great difficulty is the costliness of canvassing. If persons of small means form a co-operative Life Assurance Society, then the heavy expense which an Insurance Company incurs in connection with canvassing lives would disappear. Then the next



difficulty, which means a lot of expenditure, is the work of the collection of premias. These members should not only be canvassing members, but should take the responsibility of collecting premias. If they undertake then another big item of expenditure is minimised. The great difficulty is selection of lives. All this difficulties can be met and it is possible to take safeguards. These are with reference to medical examination. There are systems in other countries whereby it is possible to conduct examination on much easier terms. These are difficulties which can be overcome. If the societies make it a rule of their business that life assurance is a necessary provision for every member of the family, then difficulties can be easily solved. For this object the appointment of a special Committee has been recommended for considering this question and making detailed proposals which would meet all objections, and making their report to the permanent Committee of the Conference. I know some people have fought shy of co-operative insurance societies with unlimited liability. They think it a dream that can never be realized. But dreams of to-day become realities of to-morrow. It must however be understood that in such business there should be real co-operation. It must not be another ordinary life assurance company. It should be primarily for the members of the society. Family history and personal history are items which are considered as of great importance. Therefore the management of ordinary companies rely upon medical opinion. But in the case of a co-operative insurance society the management will have very good means of knowing exactly and fully the family history of their fellow members, as also their financial condition. The family history would be very valuable and would make medical examination of a secondary character. There are difficulties pointed out by the writers of those papers which this Committee will solve. I now submit this proposition for your acceptance.

Mr. S. B. Cardmaster in seconding the resolution said:—Mr. Aiyar has proposed the resolution and fully explained the importance of starting a co-operative life assurance association. It is hardly necessary for me to treat it at any length. The value of life assurance is acknowledged. The advantages of such an association are too well-known, and if as the result of the deliberations of the committee proposed to be appointed, we are able to start on co-operative basis a life assurance association, we should surely have achieved a great thing. Nothing would be lost by an experiment made in this direction, but much may be gained. I have therefore great pleasure in commending this resolution to your acceptance.

Mr. Ramnikrai N. Metha in supporting the resolution said:—In joint stock insurance companies the charges before a policy is accepted are many and heavy. I think if you start a life assurance company on co-operative basis with few premias and limited to the members of the society only, you can insure a life with the least possible expense. I therefore heartily support the resolution.

The resolution on being put to vote was carried.

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### Consideration of Report of Sub-Committee. No. VII.

A series of resolutions were then moved from the chair and passed.

They were as follows:—

(1) This Conference recommends the starting of agencies on co-operative lines to keep cotton cultivators in good touch with the cotton market in Bombay.

(2) This Conference recommends the starting of co-operative clubs for University students and the artisan classes.

(3) This Conference requests the Conference Committee to submit a report on the possibilities of establishing a co-operative printing press.

(4) This Conference is of opinion that the housing problem in Bombay has reached an acute stage on account of serious shortages of housing accommodation, and it, therefore, considers it to be the urgent duty of Government to take all possible action for the increase of such accommodation, chiefly by affording cheap financial aid to Co-operative Housing Societies. The Conference, therefore, requests that the Government of India be pleased immediately to sanction State Loans to Housing Societies on the lines proposed in the representation submitted by the Bombay Co-operative Housing Association; (a) that the Bombay Improvement Trust grant preference to co-operative housing societies in allowing suitable building sites as well as certain other reasonable concessions in the shape of reduction in ground rents and extension of period in which houses may be built; that Government and other large public bodies such as railway companies, and local municipalities, and millowners grant reasonable facilities to co-operative



building societies in the shape of free and cheap land, reduction in railway freights for carrying building materials, and advances to their respective employees to meet partly the cost of the buildings.

(5) This Conference being of opinion that it is beyond the capacity of all housing societies as also of other societies with a working capital below Rs. 50,000 to bear the charges of Government audit, recommends that Government be pleased not to impose upon these classes of societies this financial burden.

(6) This Conference recommends to the earnest consideration of Government the following suggestions regarding recoveries of the dues of cancelled societies:—(a) to empower the liquidator (i) to enforce the attendance of all defaulters, their sureties and contributories of cancelled co-operative societies and (ii) to compromise the claims of the societies with the sanction of Registrar (b) to make the orders passed by the liquidator under section 42 (5) presentable to the Civil Court by post instead of personally or by the pleader (c) to authorize the Registrar to issue a certificate under Section (5) of the Revenue Recoveries' Act or to confer upon him the same powers as are given to the Courts of Wards under Section 29 of Act I of 1905.

(7) This Conference recommends that the Registrar of Co-operative Societies be requested to invite the attention of the heads of Government offices to the good work done by the Junior Telegraph Co-operative Credit Society with a view to the formation of similar societies in their offices.

(8) This Conference urges the formation of sanatoria on co-operative lines as a measure imperatively necessary in the interest of public health and invites the attention of housing societies in particular to the importance of including the starting of sanatoria in their programme of work.

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It was resolved to forward the resolutions passed by the Conference to the Registrar of Co-operative Societies for departmental consideration and action.

The President in making his concluding remarks observed that all that he had to say had been said in his opening speech except the offering of congratulations to the promoters of this conference. He added: "I for my own part look upon this conference as a great success. The organisers of this Conference deserve all the credit for calling this first non-official conference in the city of Bombay, and for the enthusiasm they have infused among workers in Bombay. I am glad we have appointed to-day a Committee to carry on work from year's end to year's end. The Committee has numerous functions but the real work of the central Committee will begin when reports of Sub-Committee No. 3 and Sub-Committee No. 6 are received. Then we shall be in a position to see how much actual work the Committee can undertake.

Mr. J. R. Gharpure proposed a vote of thanks to the President which was carried with acclamation.

The President gave an at home to the delegates of the Conference and all those who were present at the Conference. Special arrangements were made at the Servants of India Society Building where the whole party was requested to meet.

The Conference was then dissolved.

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## Appendix I.

### I Co-operative Societies and Marketing of Cotton

It is very usual to hear people swearing at cotton merchants on the ground that they buy kapas from cultivators very cheap and generally buy it before it is ripe to be marketed. In my written evidence to the Indian Cotton Committee I said as under on the score of the cultivators' agency for marketing of kapas in the districts and on the score of the system of advances :—

“Regarding the system of the cultivators' agency for marketing of kapas in the districts, this also varies in various districts. The intelligent cultivator of the Surat and Broach districts does not, as a rule, employ an agent to sell or market his kapas. If he does not or cannot sell his kapas from his residence, he markets it himself and sells it off to the highest bidder on that day. He recovers the cash for it immediately. On the other hand the ryot of the United Provinces or Khandesh sends his kapas to his “aratiya” or commission agent for sale and pays him a commission for the same. These “aratiyas”, wherever they are influential and wealthy, are “aratiyas” or commission agents for buyers also, and this dual capacity of theirs exposes them to a considerable temptation.

**System of Advances :—**The system of advances to cultivators on their kapas divides itself into two chief parts.

“The first is advances against standing crops before the crops are matured and the other is advances against actual kapas when marketed. Regarding the first, this system is generally known as “Jalap” and means the ryot estimating the outturn from his field and selling the same to the *sowkar* at a rate equivalent to anything from Rs. 30 to Rs. 100 per khandi of cotton lower than the rate prevailing in Bombay. Against this sale the *sowkar* advances him 50 to 100 per cent of the cost of the kapas so bought. The risk of such a buyer is twofold. Firstly, the risk of unforeseen ruin of the crop quantitatively and secondly, the risk of unforeseen damage to the quality of the crop by untimely rain or frost. This system was very prevalent twenty years back. The Deccan Agriculturists' Relief Act considerably discouraged this practice, but it still prevails to a fair extent.

“There is a good deal to be said against this practice of “Jalap”. But in recent years when the prices of cotton may be said to have broken records of anything up to the last fifty years, the ryots themselves have shown great anxiety to avail themselves of rates which appear to them to be very high. All that could be suggested on this score is that co-operative credit societies should undertake what the village *sowkar* does and should retain the margin for themselves in exchange for the risk that “Jalap” operations entail on the buyer. As a matter of fact, I have not yet been able to comprehend why the various co-operative credit societies have not done so till now in their districts.

“The second mode of advances is the ordinary method of advances against kapas brought to the market and I am not aware of any particular disadvantage to the ryot in this.”

It will be perceived that as long as the Indian cultivator continues to be in a position where he must have money before the crop is ripe to be marketed in the normal course, some sort of accommodation is necessary for him. It need not be doubted that the *sowkar* giving him this accommodation makes the best of his opportunity to exact terms compatible with the risk he runs in making advances to the cultivator. I wish to suggest that people interested in the co-operative societies movement should turn their attention to replacing the *sowkar* or the cotton merchants with co-operative credit societies. It is well known that these advances to cultivators have to be made in the months of July to November when money is fairly easy everywhere, and it is not likely that co-operative credit societies will find any difficulty in securing money. What would be very necessary to have is persons well-versed in cotton business to ensure that the co-operative credit societies selling cotton against a merchant's “Jalap” sale of kapas fetches the highest rate available either in that district or in Bombay with smallest risk regarding class etc., to the seller. When this is organised it would mean that the cultivator selling his kapas would get that day's fullest market rate, and he would only have to pay interest until his kapas is actually delivered to the buyer. So much for improvement that can be effected in the cultivators more or less necessary method of selling his crop before maturing.



Regarding the first para of the quotation from my evidence given above, I think that even when crops are marketed after maturing, it is very necessary in some of the cotton producing districts in India to have a co-operative credit society's agency for each day's kapas arrivals in each market. If this be organised with the help of reliable men on the staff of such agencies a lot of annoyance and petty losses to cultivators can be avoided, and looking to the increasing acreage under cotton all over India it would appear most necessary to organize such selling agencies in some of the important districts at least where there be no proper arrangements for independent weighing etc., of the cultivators' produce. A good deal is being heard this year from well meaning people not intimate with conditions and customs of the cotton trade regarding cotton merchants looting the cultivators. I have seen handbills asking cultivators in the district not to deliver kapas against their low rate sales.

This is not the place to discuss the advisability or otherwise of such recommendations to cultivators, but this surely is the time to organize some sort of agency to keep cotton cultivators in good touch with the course of the cotton market in Bombay and abroad.

PURSHOTTAMDAS THAKOREDAS

## II A City Co-operative Bank for Bombay

Bombay has not only been the centre of most of the national activities. It is also the centre of considerable co-operative activities and can well be proud of having a number of different types of societies, working men's societies, employees' societies, communal societies, housing societies, and also of possessing a Provincial Bank, a Co-operative Library and a secretaries training class.

There is a vast scope in Bombay not only for increasing the number of such societies but for the introduction of different types of co-operation such as artisans' societies, distributive stores of all descriptions, thrift societies and so forth. To develop the organisation of these societies a city Bank which would serve as a financing and balancing centre, is a great and urgent necessity. No doubt, the provincial Bank has its headquarters in Bombay but co-operative workers in Bombay know very well that most of its activities having been diverted in supplying funds to rural co-operative societies, it has played a very small part in helping societies in Bombay itself. It should not also be forgotten that it is, in the long run, meant to be a Bank of central banks.

Some of the societies had to obtain power to lend each other without special sanction from the Registrar and they had to obtain deposits through the Debt Redemption Committee. There are several societies which have had to refuse funds from the members as there was no source of profitable employment. Again, artisans' societies and distributive stores will require a temporary financial help on the security of goods purchased and the provincial Bank cannot undertake such small business on easy terms.

In order, therefore, to organise new societies, to supervise and finance them and, in a way, to co-ordinate the activities of all co-operative societies, a central Bank for the city of Bombay will prove very useful.

The proposed Bank may start with a share capital of about a lakh and the shares may be called as and when required. Half the number of shares may be reserved for co-operative societies and the other half for individuals. Till the Bank gets sufficient business to have its own office and an independent staff, it will be desirable to conduct it as a Book Bank having its cash transactions through the Bombay Central Co-operative Bank from which it should secure a cash credit account. The Directors need not be very influential capitalists but may be selected from those men who are deeply interested in the social and economic progress of the city. The secretary or the manager may be for some time a half-time worker.

This conference is sure to give an impetus to many young educated men in the city for taking interest in the movement and the formation of a city co-operative Bank will open a channel for them to work.

I, therefore, beg to request this conference to appoint a committee

- (1) to draft bye-laws for the said Bank in consultation with the Registrar and the societies and
- (2) to take every necessary step to put the Bank into working order.

RAMNIKRAI N MEHTA



### III Co-operation among Office Peons

The subject of my paper is co-operation among office peons, and my purpose in treating this subject will be to give you a very brief history of the society of the peons and delivery messengers which has been in existence in the Bombay Central Telegraph Office for the last two years and with which I happen to be connected from its inception nay from its conception, so as to show to the general public and to you to what extent we in the Telegraph Office have been able to solve the problem of ameliorating by means of co-operation, the economic condition of this class of government servants who are mainly drawn from the agricultural community of the districts in the Southern Konkan.

The society is organised on the model of salary or wage-earners' type of credit societies. Capital is collected by means of monthly subscriptions fixed on the basis of a gradual scale on the wages or salaries of the members and also by means of shares paid up in one instalment. The first share is invariably collected through the subscriptions. These subscriptions are not withdrawable but can be utilised for purchasing a share or for repayment of a loan from a member.

The society is managed by a committee of seven, four of which are elected from amongst the members of the society and three are nominated as representatives of the employers. A havildar of the peon class has always been the secretary and keeps accounts in Marathi which is the language of the members of the society.

Besides the committee of management there is another committee known as supervising board which consists of five nominated members including the Superintendent of the Central Telegraph Office as the head of the committee. The functions of this committee are generally to supervise, to enquire into any serious complaints against the management, and to devise plans for improving the working of the society generally. The loan applications, after they are passed by the managing committee, go through the hands of the secretary of this supervising board and are scrutinised by him before sending them to the president for final sanction. The superintendent of the office is the president and holds the final power of approval of loans and also of vetoing them if need be.

The accounts are checked periodically by three sets of honorary auditors appointed as such from amongst the clerks and telegraphists of the office. All work of both the committees and the auditors is gratuitous, except that of the secretary who is paid a bonus at the end of the year proportionately to the profits of the year and the work he has put in.

Before the introduction of co-operative credit amongst these servants, almost everyone of them or at least a majority of them borrowed money from private money lenders at the rate of one anna per rupee per month which brings the rate of interest to 75% per annum on every hundred rupees borrowed from the private money lender. A person was obliged to pay off Rs. 6½ every month for interest alone. The average salary per head of the majority of these servants is between Rs. 20 and 25 per month, and out of this paltry income the borrower paid Rs. 6½ by way of interest alone, leaving nothing to pay towards the principal amount.

Introduction of co-operative credit brought down the amount of interest to be paid to be tween Rs. 4 and 5 per annum, thus causing a saving of Rs. 70 approximately per annum by way of interest. This amount which formerly went into the pockets of the creditors now remains with the members, and is available to be utilised towards repayment of the principal amount of loans.

Calculating roughly, the society has saved its members Rs. 14,000 on account of interest out of Rs. 20,000 which it lent to them since its commencement.

Is this a small material gain achieved by co-operative credit? To say nothing of general contentment which it has created amongst the members, and freedom from anxiety and dishonor to which they were frequently subjected by the loan-sharks. I know of a member who once told me that he would have committed suicide, had it not been for the timely help which the society rendered him in granting him a loan.

The books and accounts having been kept in the vernacular, the members know what is being done, and the secretary gets education and experience in the art of managing the society; the members of the Society who happen to be on the committee feel honored and are required to enquire as it were automatically into every loan and also get experience in the general management of the institution in their own way, and thus as the society progresses in years, this know-



ledge is bound to extend from a few to many even without the special efforts of lectures, the value of which I do not certainly mean to underrate.

The supply of credit at a cheaper rate of interest is only a partial relief to these people in their miseries. To ameliorate their economic condition fully, other forms of co-operation are required in addition to that of credit, such as co-operative stores, co-operative medical relief, co-operative insurance, co-operative housing, and emergency or distress funds attached to the present organisations of credit.

In my opinion co-operative housing and emergency or the distress funds are the immediate needs of these people. The establishment of the latter is easy enough and is a matter of settlement between the Registrar and the society's executive.

The former, that is, co-operative housing is difficult of achievement and requires the financial assistance from government. This class of people is very poor and live from hand to mouth and, therefore, cannot be expected to contribute any funds towards the erection of any chawls even of a semi-permanent nature. The Government should build chawls for them and recover their outlay in a series of years from the monthly rents charged on the tenants.

The present credit society can accommodate only about 250 servants who are either permanent or semi-permanent in employment. There is still a large body of delivery messengers, about two hundred in number, who will remain outside the influence of the society, as they are temporary and their tenure of appointment depends more or less upon the fluctuations of the message traffic to be delivered.

For them another society on the basis of unlimited liability and with the maximum period of six months for repayment of loans should suffice even without any danger of loss.

Finally, I would suggest that societies of the type of the present one should be formed in all Government offices wherever the number of such servants is fifty or more, and wherever the number is smaller, several such offices should be formed into a group and a society for each such group should be formed

P. K. JAMBHEKAR

#### IV Co-operative Clubs

It will be generally noticed at the present stage of the co-operative movement in India that it has now travelled into other fields than the one where its activity is most fruitfully displayed, viz., agricultural co-operation. The movement is playing its part as a helpful factor in the redemption of debt amongst agriculturists, and manual workers in humble spheres of life; but it ought to be clearly realised that it has great future before it in this country when utilised in ameliorating the economic conditions of the middle classes also. It is proposed in this paper to take up the question of the difficulties of only two classes in so far as they can be remedied by the starting of co-operative clubs. In our big cities, the problem of housing is actually felt by the student class as well as the artisan class. It is among these classes that the idea of coming together for common help, the idea of forming a social centre with a view to afford economic relief will bear most fruitful results, if it is properly understood and fostered. Attempts are already being made, as can be evidenced by the existence of the Co-operative Housing Association in Bombay, and of a scheme for a Co-operative Housing Society, to induce the middle classes to benefit by taking advantage of the co-operative remedy. One way suggests that the fluctuating student class in a city like Bombay may be induced to enjoy better housing facilities through co-operative means. It is well known that the hostels attached to the various educational institutions in this city cannot afford to house the student population. The students of the Government Law School have found the housing difficulty to be so great as to attract the notice of the authorities, and a separate hostel for them will be shortly erected by Government. It is possible, however, for groups of students to form themselves into a club, an institution to be started not only as a social centre, but to afford better housing facilities by making use of the co-operative remedy.

One notices in Bombay very desirable residential flats springing up not far from the educational institutions in this city. The rent of such flats varies from Rs. 75 to Rs 200, according to the locality, the flat consisting of fair good sized rooms. A students' club limiting itself to 15 members can easily secure a flat or two according to the class of student wanting to be housed, and rent it together sharing the expenses. A common kitchen room by a paid man under the supervision of a student secretary in rotation can be conveniently run in such a flat.



The trouble of course in starting schemes like this is that they involve a good deal of onerous pioneer work for those who originally put the idea into actual practice; but once the success of the experiment has been demonstrated, there are no insuperable difficulties in the way of future smooth working. The student class will find the starting of such clubs a far better arrangement than staying in insanitary hostels run for them at present in various localities of the city.

Once a club has been formed, there arise immense possibilities of the extension of the co-operative principle. There is no reason why it should not be possible to run a shop on co-operative lines limited only to members of the club, where stationery and text-books are sold very possibly at price cheaper to the members than can be quoted at the ordinary booksellers. There is no reason why a co-operative clothes department cannot be started in connection with the club. One may point out that once the actual method of work is settled on by the executive committee of the club, the duty of carrying out can be left to a paid agent.

One advantage sure to accrue from the existence of such clubs will be that it will enable its members to engage themselves in various schemes of social endeavour during the holiday when they are not compelled to stay in the big town where they are receiving their education. A co-operative holidays committee can be formed, and it can settle upon some social work to be conducted by a group of individuals who happen to stay during the vacation in one and the same town in the moffusil. The committee may also arrange extensive tour programmes for the vacations for the benefit of the members themselves.

Artizans' clubs can be easily started in our industrial centres not so much to afford economic relief in housing conditions, but to afford a centre for healthy social activity. It is likely that such clubs may lead to the establishment of co-operative stores where the members may get a supply of household provisions at a cheaper rate to them than in the ordinary market. In this connection the efforts at present made by the Social Service League in starting an institute for workmen will be watched with keen enthusiasm by all students of social welfare in this country; there is no doubt that the extension of the co-operative movement to meet the needs of classes other than agriculturists cannot be any longer delayed.

L. G. KHARE

## V Co-operative Sanitaria

The paper I have chosen to read before you to-day is "Co-operative Sanitaria." A sanitarium is a health institution. Sanitaria have come into existence ever since the rise of cities. The impure air, the want of enough accommodation, the absence of sunlight, and insanitary surroundings in general have compelled people to leave their cities for short or long periods to reside at places in the country. People suffering from various diseases saw a still greater necessity for resorting to country or hill stations for the benefit of their health. As the necessity increased, philanthropic and public-spirited men singly or jointly built sanitaria for the benefit of the people. We find sanitaria scattered all over the European continent. We in India have very few. Medical men in their practice have seen the necessity for people to go out for a change of air for short or long periods to regain their health. People with run down constitutions due to overwork or business worry inseparable from city life, people convalescent from various diseases, people living in insanitary surroundings, all benefit by living for some time in the country or at hill stations. Ordinarily people resident in Bombay but coming from the districts have their own homes there where they could go to for the benefit of their health. Now there are many of us who have no homes in the districts and find it necessary to go out for a change of air. Besides, many of those that have homes in the different districts due to the short leave they can avail themselves of and the prohibitive cost of travelling with their families, would prefer a nearer place to go to. Many cannot afford nor can they easily procure good houses to stay in. Sanitaria would free them from these difficulties. The rich can well afford to have bungalows and live in comfort at the different health resorts. The poor have to depend upon the philanthropy of the rich to have recourse to sanitaria. The middle and artizan classes can, I think, help themselves by co-operation by having sanitaria built on the co-operative system.

A middle class co-operative sanitarium will consist of cottages for families and one or more larger cottages with rooms suitable for bachelors, wells, a large garden, a playground, and if necessary, a library. A co-operative sanitarium for the artizan classes will consist of smaller cottages preferably semidetached, and one or more blocks with rooms for bachelors, wells, a garden and playground.



People living on the coast line and low lying lands as we do would benefit most by a change to the interior and hill stations, though no doubt a change to the health resorts on the seaside would be beneficial. In choosing a place for a sanitarium we would prefer a place not very far away from our city, at the same time a place where the climate is salubrious and where there is a good water supply with travelling and other conveniences. In selecting a place for the artizan classes we should also see that the travelling expenses are not prohibitive.

The capital for building these co-operative sanitarium could be raised by shares, debentures, loans and donations from members. Loans or donations from philanthropic and public-spirited men would be acceptable: philanthropic and public-spirited men by becoming members of such societies would help them both by their moral as well as material support.

These co-operative sanitarium should ordinarily be limited to members only. When accommodation is available, non-members may be allowed to avail themselves of them. People suffering from infectious diseases should be strictly prohibited and this could best be done by each society having its own medical officer honorary or otherwise. It would be in the interests of the society if such a medical officer is also a member of the society, as he would watch the interests of the society in this respect. No overcrowding should be allowed and this could best be done by laying down rules limiting the number of individuals to be accommodated in each cottage. The length of time a cottage could be allotted to each applicant would depend upon the accommodation available. The applicant should always be asked to state in his application the number of individuals intending to occupy the cottages and in what relationship they stand to him. The sanitarium should have a good water supply, its halalkore service, its superintendant and its *ramosis*. The sanitarium will have its rules for keeping the cottages clean and in a sanitary condition and the superintendant of the sanitarium should see that the rules are strictly adhered to. This will be of benefit to both the society and the particular members. The members would go home imbibing some of the lessons learnt at the sanitarium as regards cleanliness and home sanitation. Ordinarily members will make their own arrangements for food, but when the number of members that avail themselves of these sanitarium is large a contractor may be employed to supply the members with meals on his own account with certain conditions.

The rent charged should be such as to give the society a reasonable rate of interest on the capital spent and the expenses needed for the upkeep of the institution.

Two or more societies building at the same station would do well to work jointly as this would save some of the initial expenses required for building. They could have at less expense to each society a common halalkore service, a common water-supply, and a common play ground. These co-operative sanitarium may be built on the combined individual and co-partnership system or on the co-partnership system alone. It would be well for co-operative housing societies to include in the programme of building a sanitarium for the benefit of their members.

These sanitarium would benefit a large number of people, convalescents would quickly return to their normal activities, people run down in health due to overwork or business worry could soon recoup the same, people suffering from certain ailments would soon get rid of them, and people whose vital powers are at a low ebb would by resorting to these sanitarium prevent the development in them of certain diseases which attack the human body only when its vital powers are low. In conclusion, I earnestly hope that the promoters of the co-operative movement would help in starting co-operative sanitarium for the benefit of their fellowmen.

A. C. REBELLO

## VI Co-operative Cloth Stores

In a city like Bombay where the cost of living is getting higher and higher day by day distributive co-operative societies may help a consumer to a certain extent. The object of a co-operative distributive society is to reduce the cost of articles by eliminating the middle man's profits and bringing the producer and the consumer into closer contact.

I propose to deal in this paper only on co-operative cloth store; not that other types of stores are not needed or are not likely to work successfully, but it is easier to conduct cloth stores. There is a risk of perishability of articles and chances of adulteration in provision stores. No great technical skill is required to purchase the articles of cloth.



Let us now examine how the cost of articles is increased in the ordinary transactions and how it can be reduced by co-operation. (1) An ordinary cloth-merchant is not in a position to know the actual demands of all his customers as regards quantity and quality; and has to keep a large stock on hand, and consequently has to bear the interest and go-down charges, which practically go to swell up the prices. (2) He has to take the risk of the fluctuating prices, and has, therefore, naturally to keep a substantial margin in his selling price. (3) In order to compete with the other shops in the market he has to incur advertisement and other charges to induce and keep up customers. A co-operative society, however, cannot start, unless a fixed number of members agree to purchase goods through the society.

We shall briefly discuss here the constitution and the working of such a co-operative store. An initial capital of about Rs. 5,000 would be quite sufficient to start with, and this fund should be contributed by about 1,000 members who agree to purchase all the cloth required for their families through this store, if available. The store may then proceed to negotiate terms with the mill-agents and wholesale dealers to supply it with samples of different kinds of cloth with prices stated therein. These samples may be kept in a nice cupboard at the office of the store where the members may visit and prepare a form of indent for their monthly requirements, the store agreeing to supply the goods as soon as it is practicable for it to do so. The store may charge the current market rate, but should agree to declare a bonus every year on the goods sold. While registering orders for goods it is necessary that the members should give  $\frac{1}{4}$  or a smaller part of the amount as deposit and the remaining on receiving delivery of the goods. The members may be intimated by a post-card to take delivery of the goods, or these may be despatched to the members' place. No full-time manager is required for this work; an ordinary clerk with a salary of Rs. 35 and a peon of Rs. 15 may be employed. Rent and other office expenses would not be more than Rs 50 per month, in all making the expenditure of Rs. 100 per month.

Now suppose each family consumes cloth worth Rs. 8 every month, the total sale will amount to Rs. 8,000, and if the store is allowed commission at the rate of 5 p. c., it gets Rs. 400 every month, which brings a clear profit of Rs. 300 monthly.

After the experiment is tried on a small scale, it can be extended to any limit. Smaller sample-boxes may be prepared and circulated in different localities or to different societies on fixed days and orders may be canvassed by half-time assistant secretaries on commission basis. A large number of orders will thus be registered every day and the manufacturers will insist on the store pushing up their goods at any commission. It is a well-known fact that Bombay supplies cloth to most of the up-country people and this scheme can successfully be tried for supplying orders for the moffussil places. It would also be possible to find purchasers for the moffussil hand-loom products. And in the long run a large number of consumers may be brought into close touch with a certain number of producers who are absolutely relieved from the trouble of pushing forward their goods in the market; and who knows a time may arrive when such a store will have to start its own mills?

The advantages of the store are quite obvious. Not only does it secure economic gain but also the moral basis of the movement to estimate members' want according to their income and to help only those who have toiled to deserve it. Will not co-operators in Bombay come forward and consider some such scheme whereby the moral, social, economic and industrial welfare of a number of people is likely to be achieved?

SHANTIRAI B. MEHTA

## VII Co-operative Printing

A co-operative printing press may be started on three different systems:—

1. By workmen-printers, agreeing to distribute the profits among themselves in proportion to the work done by each of them, after paying a reasonable rate of interest on capital.
2. By persons having printing work to do, distributing the profits among themselves in proportion to the quantity of work ordered by each of them, after paying reasonable wages to workmen and reasonable rate of interest on capital.
3. By capitalists, paying no profits to persons who give orders for printing, but distributing the profits among the shareholders and the workmen, after paying a reasonable rate of interest on capital.



Any industry may be started on any one of the above three lines. The first method would come under workmen's co-operation or co-operative production, the second under co-operative distribution, as in the case of a bakery started by a co-operative store, and the third would come under the profit sharing system. If the third system be so modified as to allow the profits paid to the workmen to be converted into shares, thereby entitling them not only to vote at general meetings, but also to a seat on the directorate, the system would be known as co-partnership.

It would be possible to combine the first and the second systems, as the Scottish Wholesale Co-operative Stores do in the industrial works started by them. At Puttur in the Madras Presidency a co-operative press has been recently started on the second system in the interest of the co-operative societies in the district. The Letchworth Printing Works in England are formed on the first system.

In Bombay it would be possible to start a co-operative press on the second system as at Puttur; or the first two systems may also be combined. But before undertaking the work it would be necessary to form an estimate of the capital required and to consider whether all the co-operative societies joining in membership would be able to feed the press.

An up-to-date plant capable of being worked by oil or electric power, with printing, pressing, cutting, ruling, perforating, numbering and binding machinery, with a sufficient quantity and varieties of types and foundries for renewing types, and all other accessories, might cost about 50,000 rupees; and about 10,000 more would be necessary for working expenses and for keeping a stock of stationery. At least Rs. 20,000 would be necessary to start a press on a more modest scale. The present rise in prices has also to be taken into consideration.

But before the idea could be materialised it would be necessary to consider whether the societies alone would be able to maintain a press.

A better course would be to form a temporary association of all the co-operative societies for getting their printing work done collectively in some press which might quote reasonable rates for decent work. Collective purchase of stationery, rubber stamps and other similar requisites could also be made through the agency of the association. An idea will thus be formed of the total work that would be forthcoming from different societies. Societies in the mofussil might also be consulted if they are willing to join the enterprise.

I propose that a committee of the representatives of the different societies in Bombay be formed to consider the formation of an association on the above lines. This committee should be requested to submit a report to the next year's conference on the possibility of starting a printing press, giving estimates of cost of plant and machinery with accessories, and also of the working expenses and of the quantity of work that would be forthcoming from societies and other co-operative institutions.

S. S. Talmaki

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## VIII Co-operation in Small Industries

There is a vast scope for co-operative work in Bombay in aid of small industries, though the experiment has not been tried yet.

Co-operative credit has been making good progress in the city. Caste, common vocation, or employment in the same office has afforded a basis for the societies now formed for obtaining credit. The Saraswats, Christians, Jews, &c. have formed communal societies. The G. I. P. and B. B. & C. I. Railway Companies, the Post and Telegraph Offices &c., have societies for their employees; societies for mill-hands, Bhangies, &c. have also been formed. Many other societies on similar lines are in the course of formation. But the progress made is only one-sided: being entirely confined to credit. It is, therefore, time that small industries should also receive some attention of the co-operative workers.

There are numerous classes of people in the city employed in various hand industries, which, unless they are organised on co-operative lines, are sure to go to the wall as the result of foreign competition and by the operation of local industries after the war. The improvement of industries is called for not only in the interest of those industries, but in that of the people engaged in them. The housing conditions of most of these people are extremely miserable, yet



there is little chance of their being improved unless the income of the people living in them has increased to enable them to pay the higher rent which improvement would involve.

The following are the numbers of people, in round figures, employed in Bombay in different small industries, as appearing in the Report of Census of 1911:—

3,000 Employed in textile fabrics, cotton and silk (excluding those employed in mills).	250 Makers of bangles, beads &c.
1,300 „ in lace and embroidery making.	100 Makers of toys.
4,000 „ in dyeing and calico printing.	23,000 Carpenters, turners, joiners &c. (Most of these must have been employed in the building trade).
2,300 „ in leather dressing.	10,000 Masons and bricklayers.
2,000 „ in making baskets &c. from bamboo and cane.	1,000 Makers of bricks, tiles, earthen pipes.
150 „ in rope-making.	92,000 House painters, plumbers, locksmiths, &c.
9,000 Workers in iron. (Many of these must be employed in workshops.)	1,300 Employed in quarries of lime and stone.
130 Makers of agricultural implements.	10,000 Workers in precious metals & stones, enamellers, gilders, imitation jewellery makers.
2,300 Workers in brass, copper and bell-metal.	10,000 Employed in washing and cleaning clothes.
2,400 Workers in tin, zinc, lead, aluminium, &c.	Agricultural industries and dairying and fishing, too, employ no small numbers as will appear from the following figures:—
500 Employed in oil industry.	5,300 Employed in agriculture as ordinary cultivators.
2,000 Bakers and biscuit makers.	5,600 Employed in market gardening, in growing fruits, flowers, vegetables &c.
3,000 Condiments and sweetmeat makers.	700 Rice pounders, huskers, grinders.
100 Makers of sugar and molasses.	3,900 Dairy farmers and cattle breeders—not to speak of the 5,000 people employed in the sale of milk, butter and ghee.
14,000 Tailors, milliners, dressmakers and darners.	5000, Employed in fishing, besides half as many employed in the sale of fish.
300 Hat, cap and turban makers.	There are besides 6,000 persons employed in the manufacture of tobacco and intoxicating drugs.
8,500 Boot, shoe and sandal makers.	
200 Makers of gloves, socks, belts, buttons, umbrellas, canes, &c.	
800 Cabinet makers.	
1,000 Bookbinders. (Many of these must be attached to Printing Presses).	
300 Cartmakers and wheelwrights.	
250 Saddlers and harness makers.	
150 Makers of musical instruments.	
800 Watchmakers, engravers and makers of photographic and optical instruments.	

It need hardly be mentioned that the above enumeration of professions does not include the very large class of spinners and weavers numbering over a lakh of souls employed in the mills.

On the other hand such professions as engage persons below 100 in number are too not included; e. g., ship and boat builders; brush makers; manufacturers of candles, soaps, perfumes, and miscellaneous drugs; of dyes, paints, inks &c.; of articles of paper, such as flowers &c.; glass workers; makers of leather articles, such as trunks, bags &c.

There are besides numerous small industries which, though they are not specifically mentioned, must have been included under some general heading; such, for instance, are clay moulding, stone, wood and ivory engraving, lacquerworks, and so on.

The present position of the people employed in the above industries is most unsatisfactory; and not much better than that of ordinary labourers. They are being exploited by the capitalist employer or the master-workman. Some of them who work independently purchase raw materials individually, and therefore at a higher cost and sell the finished goods also individually, generally to a broker at much lower prices. Thus whether working individually or under an employer, the higher remuneration due to them for their labour, skill and dexterity of hand goes into the pockets of others.

The main difficulty under which they are labouring is want of capital to enable them to purchase sufficient quantity of raw materials on cash and to retain the finished goods on hand for selling at favourable prices.



Co-operation would enable them not only to obtain the necessary capital, but also to organise their purchases and sales and even their work. In the matter of wholesale purchase and marketing, these people have not the same difficulties to face as in the case of village industries, removed far away from the centre of the trade.

In organising the industries in Bombay the professional castes would afford in many cases a suitable basis for co-operation ; such as for instance, the Chamars or Mochis, Darjis or Shimpis, Dhobis, Gaolis, Kasars, Kolis, Kohties or Salis (weavers), Kumbhars, Lohars, Sonars, Sutars, Telis, Ghanchis, and so on.

The question as to the agency which should undertake the work of organizing co-operative societies among these people is most important. It would not be unreasonable to look to the local municipality for the organization of certain professions, an improvement of which is sure to lead to the improvement of the health of Bombay. For instance, steam laundries may be set up among the Dhobis, dairies among the Goulis, and so on.

On the other hand the industries connected with the building trade could be organized by the Co-operative Housing Association through a combination of the housing societies, as is done by the Co-partnership Tenants Limited of England. The chief aim of such organization is to eliminate the numerous agencies of middlemen between the makers of materials and the building professions on the one hand, and the tenants who occupy the houses on the other.

The poorer classes of Goans in Bombay own numerous clubs, known as *coods* formed on co-operative lines which, if tactfully handled would afford an excellent agency for organizing numerous co-operative activities. A co-operative tailoring shop for instance could very easily be formed by the tailor's *cood*.

But the numerous other small industries will require an outside agency to organize them. The best course would be to form a Small Industries Association on the lines of the Bengal Home Industries Association which was started under the patronage of Lady Carmichael, and has been doing much useful work on behalf of the co-operative movement in that Presidency. Its work is comprehensive, such as organizing co-operative societies, financing individuals as well as societies supplying raw materials, selling finished products, establishing a sale depot, helping the improvement of implements, and the quality of the goods, collecting all sort of information regarding industries, the people engaged in them and the difficulties in their way, and distributing literature dealing with industries, their improvement, organization, &c.

I therefore make the following definite suggestion on the subject :—

That a Small Industries Association be formed in Bombay and be registered under the Co-operative Societies Act, with the following objects, among others: The encouragement of small industries on co-operative lines; formation of co-operative societies among people engaged in such industries; provision of funds to individuals, to groups of individuals and to societies ; purchase and sale of raw materials ; marketing of finished goods ; collection of information and statistics regarding the present condition of small industries, and the people engaged in them ; improvement of the implements, of methods of work and of the quality of the goods ; propagan-dist work by lectures and publication of leaflets ; affording technical guidance to people starting small industries ; and generally doing all such work as may be necessary for their promotion.

S. S. TALMAKI

## IX Consumers' Associations on Co-operative Lines.

Though the amended Co-operative Societies Act (II of 1912) authorised the formation of societies for purposes other than credit also, the development of other branches of co-operation till now is not satisfactory, for, at the end of the official year 1916-1917—out of a total number of 20,657 co-operative societies in India only 387 were for distribution, production, sale and purchase of goods. There is, therefore, great scope for a wider application of the principle of co-operation in matters which concern the daily lives of the people. For people living in cities, it is in respect of housing and purchase of household goods that the present-day conditions of life press most heavily. The traders, on account of undue competition, high rents, the necessity for keeping a variety of goods in stock and a number of other reasons, give short measures, adulterate the goods and try to keep the retail prices of articles as high as possible by forming themselves into rings. Even the middle classes are at their mercy, and in large industrial cities like Bombay, Ahmedabad, Cawnpur, Calcutta, and Rangoon, it is becoming increasingly difficult to obtain articles of food in a pure con-



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dition at reasonable prices and the adulteration of necessaries of life such as milk, ghee etc. has of late been so unscrupulous and general, that some of the provincial governments have already passed special legislation for the detection and prevention of such adulteration. But a more easy and direct remedy would be the starting of distributive stores and Consumers' Associations, on Co-operative lines.

It is well-known that Co-operative stores, besides supplying pure unadulterated goods at the lowest possible cost and in correct measure, indirectly encourage thrift and saving amongst the members, for, goods are as far as possible sold for cash only. Distributive stores run on co-operative principles have been a great success in other countries and we must try to find out why progress in this line of co-operation in this country is so poor. In the first place people, who are used to going from one shop to another and waste their time in higgling and purchasing goods at credit, do not understand the usefulness and advantages of a co-operative store, where goods are sold for cash and at fixed prices to the rich and poor and young and old. The main obstacle in the way of the organization and successful management of a distributive store is the difficult and complicated nature of its management, for its success depends upon (1) the salesman who must be thoroughly honest and active and (2) the energy, common sense and foresight of the Managing Committee which must include at least some men having experience of retail trade. It should meet at frequent intervals, and examine the accounts, check the stock and satisfy itself by personal inspection and inquiries amongst members that the quality of the articles supplied is good, and correct weights and measures are given. It must also pass indents for fresh stock as soon as they are made out and make purchases at the right moment and be able to pay cash for the same, as otherwise the whole-sale dealers will charge interest and even the small margin of profit which is available will disappear. The organizers have also to be prepared for severe and unfair competition from traders in the locality, it would, however, be difficult in a city like Bombay to get men of business experience having sufficient leisure to supervise constantly, and exercise a vigilant watch over the working of the society and owing to high rents and salaries that have to be paid, some people whose views should carry weight, are of opinion that there are no chances for a co-operative stores being a success at least till some experience is gained. If, however, Consumers' Associations on Co-operative lines are formed, a majority of these difficulties would be done away with and most of the advantages of distributive stores would be secured. The first requisite of a distributive store or a Consumers' Association is that the wants of the members should as far as possible be homogeneous so that it may not be necessary to stock a number or varieties of the same article. Members of Co-operative Credit Societies, persons living in chawls, clerks in large offices or in two or three offices in the same neighbourhood, generally belong to the same class and in consequence their wants are homogeneous, for there are no great varieties in the quality of sugar, jaggery, sweet oil, ghee, kerosene, tea, charcoal, firewood, salt, food grains and other articles of daily necessity. They can therefore very well form themselves into Consumers' Association for the purchase and distribution of the above articles amongst themselves and I desire to put forth here a scheme for working such an association

Membership should be limited to persons living in the same chawl or employed in the same office or group of offices, so that there may be no difficulty in collecting the periodical indents for the purchase of goods from members and distributing the goods amongst them according to their indents. Each member should be supplied with a pass book in the form prescribed, in which he may make out his indents for the goods required by him during the next month or any shorter period that may be fixed by the general meeting. He should send this to the Secretary at least five days before the goods are required. The last date for receiving indents from members and the number and quality of articles to be purchased by the Association should be determined by the general meeting. It will be the duty of the Secretary to prepare from the indents a statement of the total quantity of each article required and submit it to the Managing Committee who should purchase the goods from the wholesale dealers at the lowest price. It would be advisable for the Managing Committee to divide itself into groups for the purchase of articles that are available in the same bazar and make the purchases on a Saturday so that the goods may be brought to the registered office of the association or some such place from where it may be convenient for the members to take delivery of the articles indented by them. It will not be necessary to raise a large capital by the issue of shares, for the members have to pay cash when taking delivery of goods. Each member should be required to take at least one share of Rs. 10 only.

If only 60 members join the association to begin with, the monthly purchases of the association would come to about Rs. 1,200 to 1,500—at whole sale prices, and the joint saving per year would come to at about Rs. 486 to 648 for, the retail dealers add at least 3 to 4 % to the wholesale



prices to cover interest charges, rent of shop, salaries of servants and their profit. The annual expenses of the association would not be more than Rs. 150 and therefore the annual profit on a capital of Rs. 600 would be Rs. 336 to 498 or equal to 56 to 83 per cent per annum. Besides this the members will have the advantage of getting articles of daily necessity in a pure and unadulterated condition. It will thus appear that Consumers' Association while obviating the difficulties of the complicated management of a Distributive Store would secure all the advantages offered by it.

It will also give valuable experience for working a Distributive Store which may be started as membership increases and business develops. I therefore suggest that some of the best societies in Bombay should try to form such associations and make an experiment in the direction of organizing consumers co-operatively.

SHANTIRAI B. MEHTA.

### X. Stores for the Poor.

Stores:—Co-operation from the stand point of producer takes cognizance of certain forms of Industry as opposed to other forms that are recognised from the stand point of the consumer. Stores alone can lay claim to belong to the latter category; and their constitution is almost the same over Great Britain which is said to be the origin and the place of greatest development of Stores.

Industrial revolution in Great Britain caused the working classes to organise themselves as wage-earners in trade unions, and wage-spenders in Co-operative stores. It is important to notice that in England the Stores were the first form of co-operation. In 1770 the Industrial revolution was in its full spring and in 1795 the Hull Anti-Mill Society was established by the poor inhabitants of the city. From 1820 there was a period of enthusiastic activity culminating in 1833; and there were no less than 400 co-operative societies. Their main work was to supply the needs of working men by the purchase at wholesale prices, of genuine articles of food and clothing. In the first Journal issued from Brighton a policy that foreshadows roughly the Store movement of to-day was sketched out; i. e. while the provision of cheap and good commodities should be the first consideration, (a) the society should devote any surplus capital to manufacturing for itself, (b) employing its own members and (c) sharing profits with them; Robert Owen the greatest co-operative enthusiast of his generation was not the father and originator of the co-operative store. Upto 1832 it was in the state of humble experiment. For in 1833 a Congress was held and fundamental rules were agreed upon. In 1844, the Rochdale Pioneers established a Store for the sale of provisions, clothing etc; and their objects in chief were:—to form arrangements for the pecuniary benefit and the improvement of the social and domestic condition of its members by raising a sufficient amount of capital in shares of 1 £. each to bring into operation the following... (a) the building, purchase and erecting of a number of houses in which those members desiring to assist each other in improving their domestic and social condition may reside; (b) to commence the manufacture of such articles as the society may determine upon for the employment of such members as may be without employment or who may be suffering in consequence of repeated reductions in their wages; (c) as a further benefit and security to the members, the Society shall proceed to arrange the powers of production, distribution, education, and Government; or in other words to establish a self-supporting colony of united interests or assist other societies in establishing such colonies.

**Model Store.**—Practically however, all the points in their manifestos could not be carried out; but almost all the stores took the pioneers for their model. In fact, the Rochdale System *viz.* sale at the market price with cash payments, and distribution of profits among the members in proportion to the amount of their purchases became universal in all stores. In 1862 the Magna Charta of Co-operation was passed, which permitted limited liability of which the Stores availed themselves. The movement of stores since 1873 has been guided by the Co-operative Union which is a propagandist body holding annual Congresses. About England and Scotland the following figures show the progress;

	1881	1899
<i>England &amp; Wales</i>		
Stores ... ..	764	1,134
Members ... ..	475,474	1,337,669
<i>Scotland</i>		
Stores ... ..	200	295
Members ... ..	71,238	272,651



	1905	1906
<i>United Kingdom</i>		
Members ... ..	2,153,185	2,222,417
Share Capital ... ..	£ 260,77,174	£ 27,350,588
	Sales	Profits
Sales... ..	£. 61,186,991	£ 63,353,772
Profits ... ..	„ 9,592,238	„ 9,972,250

### Wholesale Stores.

Now, the distinctive feature in the British Store movement is the amount of retail production carried on in connection with different stores. In 1852, the Rochdale Pioneers tried to work a wholesale department for themselves and neighbouring stores. The wholesales are whole merchants and the British wholesales have purchasing depots with wholesale resident buyers in N. America, Denmark and other centres of industrial activity. In 1884 the English wholesale was established, and in 1894 the German wholesale. The progress among the stores during five years after the establishment of their respective wholesales was:—

	<i>Great Britain</i>		<i>Germany</i>	
	1864	1894	1864	1899
Societies	394	754	417	534
Members	130,000	230,000	268,000	469,000

**India and Great Britain: Parallel;—**Like Great Britain India and our Presidency can have a large rural membership. Farmers sell their produce to the local co-operative societies, and receive general provisions in exchange.

Let us determine in the next place the position of the Store as an employer of labour. It is a truism to assert that the workman makes the severest employer. Accordingly the British stores in earlier days underpaid their managers and shophands. This sort of undeserving treatment of their own members were liable to bring unpopularity with their class. So, at present, the store has become a good employer. Most of the retail stores do not share profits with their employers in some parts. In fact profit sharing with employees is a thorn in the side of British Co-operation, yet it is a fundamental in the Workers' society. In Germany profit-sharing by employees is unusual the co-operative stores do not regard profit-sharing as an important element in the Stores constitution. It has been however decided that—By experience in retail societies where employees few, and relations with the committee of management therefore frequent, profit-sharing is unimportant. In a big and more impersonal body such as a wholesale society profit-sharing which is supplemented by representation of workers, offers a direct guarantee that the claims of the workers will be understood. It is surely justified in working out its own *raison de etre* so long as it gave its employees the same scope and treatment as wage-earning workers. It would be injustice if the store were to refuse to its employees the advantage of dealing with the store, though it might be justifiable in the interests of division of work to prevent their being committee men and employees in the same establishment.

Next, H. W. Macrosty observes;—Ethically the consumer transcends the producer. T. Tweddell remarks;—The store represents the highest social interests viz. that of consumer. It has been argued by a later-day authority that there is no meaning in saying that a man in the act of consumption is a higher social being than when he is at work. The employer supplies articles which he does not consume and receives remuneration for his work. The members of the store do this work for themselves and not only consume these articles, but also spare the expense, of the out-side employer. By using the advantage of their position as co-operative consumers, they are more effective agents of production, and as a result of their efforts in a united body they in a body share the gains. The foregoing is an academic discussion accompanied by historical sketch of Stores in the West outlined in as brief a manner as possible.

In the United Kingdom at present the figures collected from sixty stores bring out the conclusion that the majority of the co-operative stores established are unsuccessful in achieving their main object. In spite of this fact, it is undeniable that even in cases where stores have failed absolutely, and gone into bankruptcy, they have been credited with the good work of introducing, improved business methods in those towns in which they were established. Again, in cases where the merchants have competed keenly against the "Co-operative Stores" they have been compelled to adopt more efficient business methods. It is easy to conclude on the whole that the conditions



necessary for success are (a) good leadership, (b) capable management, (c) favourable environment, (d) and adequate legal safeguards. A lack of these, as a rule, results in failure.

At the end of the year 1915-16 the few store Societies established in India are the following:—

	Stores	Members
Madras Presidency ... ..	13	491
Behar and Orissa ... ..	4	
Bombay. ... ..	1	
Baroda. ... ..	2	
Mysore. ... ..	21	
Bengal. ... ..	4	
United Provinces ... ..	8	

Some of these store societies try to revive the ancient handicrafts of the country and revive cottage industries. Some weavers' societies already undertake the purchase of good yarn for the members and have in some places store branches to sell cloth produced by them. In Bombay there are 31 societies of this kind.

S. S. MEHTA

## XI Co-operative Life Insurance

Life Insurance, from its fundamental aspect, is best adaptable to Co-operative methods provided the essential safeguards and facilities are forthcoming. Looking to the exigencies of modern life, we feel that the importance of Co-operative Insurance from the economic point of view and from the view of thrift should be properly appreciated by all those concerned.

Let us for a moment turn our eyes to the British Friendly Societies, which have, after an experience of long years, now come to recognize the vital urgency of Insurance and have rendered meritorious services to the cause. It has, however, become now apparent that *voluntary insurance* is not sufficient and attractive as it fails to reach a vast population of the working-class, who, unless they are compelled to be *prudent*, will never make any attempt to be thrifty and to provide for the rainy day. It, therefore, became clear, that the scheme of insurance for the poor can not be successfully carried out unless it is made *compulsory* to some extent. The first thing, therefore, that Mr. Lloyd George (the present Premier) did when he became Chancellor of the Exchequer, was to take up a scheme for *compulsory insurance*; and we know with what great difficulty it was carried through and became law. It is no truism to say that "a purely charitable scheme is destructive of independence". Mr. Lloyd George, therefore rightly felt that both from the financial and moral points of view the working-classes should directly contribute something towards the fund. He also realized that there are many whose means would be quite insufficient and meagre to contribute to the whole of the sum required for the insurance. Therefore, he thought that the State and the employer must aid by contributing towards the scheme. Mr. Lloyd George was so much satisfied with the good work done by the Friendly Societies that he declared "it must be the aim of every well considered plan to encourage and work through these organizations".

The above is only a tentative and an imperfect sketch of public institutions of utility for the promotion, furtherance and introduction of the idea of thrift among the poorer classes. This, however, does give to those interested in the co-operative movement and in the welfare of the poor to some extent, a small idea of the immense importance attached to the subject and to awaken in them a sense of the urgent and vital need for that kind of economy which is "the beautiful sister of temperance, of cheerfulness and health."

Coming nearer home what do we find? It is not wrong to say that the principles and the varied advantages of Life Insurance are not quite realized by our ryot and working-classes. How are we then to approach the subject? It must be distinctly borne in mind that compulsory insurance in any shape and form is bound to create prejudices in the mind of the naturally credulous ryot and the working-class. It is, therefore, necessary to tackle this difficult question with great care, for the people must in the first place be made to realize the benefits of Life Insurance. The difficulties that have to be encountered are enormous.

The first and the most vital difficulty is the ignorance of this class of people. Until the poor are made to realize what sordid and miserable lives they are leading, until the mind of the poor is opened to the advantages of being thrifty and until they understand the real value of life, the idea of the novel idea of insurance will not appeal to this class. It is not surprising that the idea of insur-



ing their lives is repugnant to the poor for it is at times preposterously stated, even by some of the best and educated minds, that 'insurance means early death.' Insurance to many a mind is a scarecrow and a bogey. This idea is bound to go and will go if the poor are educated and the benefits of insurance are inculcated.

The second great difficulty lies in the fact that it would require a large capital-say at least a capital of Rs. 5 to 10 lacs-to earn sufficient income to defraying the necessary expenses. If a Co-operative Insurance Company is to be started then it would be worth while to register it under the Co-operative Societies Act to secure exemption from the necessity of placing deposit of Rs. 2 lacs under the Insurance Act of 1912.

The third difficulty lies in the fact that there is a higher rate of mortality among the poor classes owing to malnutrition, bad housing and want of proper recreation after hard work. In a majority of this class there is to be found low vitality and poor stamina and thus they fall an easy prey to any illness or succumb quite easily to epidemics like plague or cholera. Consequently claims must be expected to arise in a greater proportion than in the ordinary class of people.

The fourth difficulty is that the majority of the working population are not stationary, but shift from one place to another. Under such circumstances it is not at times easy to recover their premiums.

The fifth difficulty will arise as to the heavy expenses that will have to be made to secure Business on a large and extensive scale. Until a large amount of Business is being secured the Company has no good prospects. The constituents will be very irregular in payments and the management has to be prepared to expect a large number of Policies lapsing and to pay numerous Claims. To keep the equilibrium under the circumstances the management expenses must be as economical as possible.

My experience in this particular Business has convinced me that Co-operative Insurance is an impossible thing under the present state of affairs and unless the difficulties mentioned above are overcome and steps taken to make insurance popular first by *education* and then by *partial compulsion*, Co-operative Insurance must not be thought of.

Apart from the question of difficulties it must be admitted that the advantages are many. One of the greatest advantages is that the poor are educated to the habit of thrift and learn to lay by something for bad day. The other great advantage is that when a member of a Co-operative Credit Society insures his life the Policy becomes a Collateral Security and that it also lessens the burden on the shoulders of the sureties. In short, the poor, if he once takes kindly to insurance, will know how to *exist*.

How are we to overcome the difficulties and at the same time to popularize the benefits of Insurance among the poor? Under the present conditions of life and with the present state of ignorance that is being found among the poor the best course and the only remedy would be to induce it to advance the benefits of Insurance, which upto now were enjoyed by the God's chosen few, to the members of the Co-operative Societies.

What are the advantages derived by Societies by adopting this course. The first great advantage the Co-operative Societies would derive is that the Policies thus made would strengthen and safeguard their position as they would stand good as Collateral Securities. The funds of the Societies would also be doubly secured and the Societies would as a result gain in credit.

As far as possible it is advisable to avoid middlemen's profits. It must be so arranged that the Business should come direct from the Co-operative Societies, mills and factories, so as to eliminate the middlemen's profits.

Another advantage is that the Society can get a certain rate of Commission from the Company which can safely go to build up the Reserve Fund of the Society, or the Commission thus gained may be utilized to foster and maintain other funds or medical relief or education.

In this connection it may be interesting to state that the above difficulties could be to a certain extent overcome by adopting what is well-known and well-adopted in America, and that is the "Group Insurance."

In America "Group Insurance" has made wonderfully good progress and has succeeded in securing a definite and secure place in the modern world of commerce and industry. It provides a plan by which "an employer may insure the whole group of lives of his employees for the benefit



and welfare of their families." The employees themselves may similarly group together for insurance. A Co-operative Society may collectively insure the lives of their members.

In the century that we are living, the industrial and commercial world has been completely changed and transformed through the introduction and development of great labour-saving and time-saving devices. Despite this most marvellous progress, the most important and the most vital element of human labour has been neglected. Employers give more attention to the "hiring and firing" principle. While the most scrupulous and urgent care is being taken of for the upkeep and maintenance of their machinery and implements and their proper substitutes when worn out, little or no consideration is being given to the welfare of the poor humanity who helps the operation of the machinery. This sentiment can be aptly put in the words of one eminent American "great attention was given to mechanics and none to humanics."

In Europe and particularly in America a growing realization of the high cost of labour together with the broader sense of responsibility on the part of the employer towards their employees has evolved what is now known as "Group insurance."

It is quite reasonable for an artisan, a mill or railway operative or even for a labourer to put all his heart and his best thoughts and best energies in his work if he wishes to achieve any brilliant result. To this end, he should be in good mental and physical state; he should not be distracted by the pinch of poverty nor by the thought of a helpless wife and destitute children who would be left helpless and penniless if anything untoward may happen.

From the standpoint of both employers and employees the advantages of "Group Insurance" system are various and important.

The first and the most important advantage is when the whole premium is paid by the employer himself, there comes in an idea of appreciation on the part of the employees of the fact that their employer does not rest contented with the thought that his relations with them begin and end with the payment of the wages agreed upon in lieu of the services rendered, but that henceforth the relations are quite different. This more kindly and friendly relations between employer and employees creates a just and greater consideration for the employer's interest, with the result that wastage is being reduced and good scope is given for better and superior workmanship.

Another great advantage is that group insurance policy helps to keep and continue desirable employees in the service.

Again a group policy manifests a very distinct idea of *social service*. A family left unprovided for and helpless is a constant source of danger to the community.

HAIKAT F. M. DASTUR

## XII Co-operative Life Insurance

Life insurance is generally done by private companies. Two systems are followed; in the one the business is carried on for the benefit of the share-holders and in the other, the policy-holders are allowed not only a share of the profits but also a vote. The latter is known as mutual life insurance society.

But both the above systems benefit generally the people of middle classes and above. Consequently in most of the progressive European countries the State has undertaken the work on behalf of the lower classes on the compulsory basis. In Mysore the Government has introduced it on the voluntary basis for all people, the minimum value of a policy being Rs. 100 and the maximum Rs. 5,000.

In Europe the system of life insurance came into vogue from a very long time, and there are numerous companies catering for all classes of people. Consequently there is little room there for co-operative insurance societies, the companies on the mutual system serving that purpose to a large extent. Nevertheless, the Co-operative Wholesale Stores of England has established the system on the Co-operative basis for the benefit of their members. There are one or two co-operative life insurance societies in America. There is one in Bombay organized by the Goans for their community though not registered under the Co-operative Societies Act.

I think it would be quite possible to establish a co-operative life insurance society for the whole of the Bombay Presidency, insuring only the lives of the members of the societies. A proposal to start a co-operative life insurance society by Mr. K. B. Ankalgi of Dharwar was rejected.



by the Registrar, mainly on the ground of the inability of his Department to supervise the working of an entirely new type of a co-operative society. Nevertheless I consider it possible to meet the Registrar's objections as they are not insurmountable. I therefore propose that a committee should be appointed to consider the whole subject and submit a report thereon.

P. K. JAMBHEKAR.

### XIII. Paid Audit.

The question is often raised whether Co-operative Societies ought to pay for their own audit.

In our Presidency, fees are already levied in case of Societies with limited liability with a total working capital exceeding Rs. 50,000.

The consideration of the question must therefore be confined to Societies of limited liability below the above status and to all unlimited liability Societies.

In the Bombay City, there were, at the end of the official year 1916-17, 14 unlimited liability Societies with an aggregate working capital of Rs. 65,000. All of these are Societies of mill hands and other poorer working men.

As the cost of their management is already heavy, and as they generally have to employ paid secretaries, this class of Societies cannot be expected to pay for their audit. On the contrary, as recommended by the Committee on Co-operation, Government should make substantial grants for the maintenance of an efficient clerical staff in their case.

Of the remaining Societies, there were three housing Societies, which at their earlier stages, cannot afford to pay for their audit, irrespective of the extent of their working capital.

There remain then the Credit Societies with limited liability to be considered. As the cost of management in Bombay is very heavy in consequence of rent, clerical and other charges, to be incurred in a City like Bombay, it does not seem to be advisable to levy fees in the case of Societies, below the limit mentioned above, in spite of the recommendation of the Poona Departmental Conference that "primary societies with limited liability after five years of their existence a graduated scale of audit fees to be paid by them not exceeding 20 percent of the expenditure incurred by Government in that behalf should be fixed, the remainder being borne by Government."

### XIV State Aid to Co-operative Housing

The housing question is a chronic problem of Bombay. For years and years together it has formed the subject of warning by the Health Officers and Municipal Commissioners, of discussion in the press and public meetings, of reports of special committees, and finally of dust-ridden Government Resolutions. But the problem is still with us growing more serious with years, without adequate measures for its effective solution being taken.

The main cause of the problem is the shortage of houses. It was partially revealed by the census figures of 1911 which showed that nearly 7, 50,000 of its inhabitants lived in one-room tenements, the average number of persons per room being 4.47. Unhealthiness, disease, and premature deaths, from the point of view of public health, and high rents and high prices from the economic point of view, have followed as the natural results of this cause. The chief remedy therefore is to bring about an increase in the number of houses.

The co-operative housing society is found to be a potent factor in the encouragement of building enterprise, as is shown by the experience of European countries, whose governments are therefore giving all facilities to such societies, the chief of which is financial aid in the shape of long term loans at low rates of interest.

The Bombay Co-operative Housing Association which was formed in our city in 1913 with the object, among others, of encouraging the formation of such societies, having found that cheap financial aid was absolutely necessary for their promotion, made a representation on the subject in November 1916 to the Government of Bombay, who forwarded it with a favourable recommendation to the Government of India; but no reply has yet been received from the latter, though a



fresh representation was addressed by the Association in March last direct to the Finance Member of the Government of India.

The housing problem in Bombay having now reached an acute stage, it is desirable that rapid construction of houses should be taken in hand before the period of operation of the new Rent Act comes to a close. Government financial aid to housing societies should therefore immediately materialise. I therefore propose to place the following resolution before the Conference:—

“This Conference is of opinion that the housing problem in Bombay has reached an acute stage on account of serious shortage of housing accommodation, and it therefore considers it to be the urgent duty of Government to take all possible action for the increase of such accommodation, chiefly by affording cheap financial aid to co-operative housing societies. The Conference, therefore, requests that the Government of India be pleased immediately to sanction state loans to housing societies on the lines proposed in the representation submitted by the Bombay Co-operative Housing Association.”

S. S. TALMAKI

## XV Constitution of the Conference Committee

This is the first Co-operative Conference organised by co-operators in Bombay, and conducted without any official guidance, and official influence. Broadly speaking, the aims and objects of a Co-operative Conference are to bring together on a common platform persons working in the different spheres of the Co-operative movement with a view to foster its development by means of interchange of views, mutual aid and counsel. In the Provincial Conferences held in Poona directly under the control of the official agency, the co-operative societies of the whole Bombay Presidency were concerned. The gatherings there concern so wide a range of societies that problems peculiar to Co-operative Societies in Bombay cannot be expected to receive the same amount of attention as in a Conference like this. The principles underlying Co-operation in relation to urban life are the same as elsewhere; but the conditions that affect the social and economic well-being of the society in a big city like Bombay are totally different from those prevailing in the mofussil; and a conference like the present, held on the initiative of non-official Co-operators is not only a desideratum, but a longfelt want. We shall discuss some of the several subjects peculiar to Co-operation in Bombay and come to some definite conclusions. But the Co-operative movement is ever expansive, and the sphere of its influence is slowly extending towards new channels of life and thought. The forces that were at work towards the growth of Co-operation in India have brought to the front new ideals and ideas in society.

The difficulties that confront us in the field of Co-operation in Bombay are many-sided. We have new problems to tackle, new and complex questions to face; and there is a vast range of subjects relating to urban and suburban life which could be analysed with advantage from the co-operative stand point. There is a vast field for work in the right direction; and if the movement should be carried to the height of its full growth, it is but necessary that gatherings like this should be held almost every year.

Now, if the Conference is to become an annual fixture, surely we must have a standing body to take all necessary steps for organising it every year. Funds have to be collected to meet the incidental expenses; reports of the Conferences should be published for the information of all Co-operators; a constitution for the Conference should be drawn up so as to secure an effective representation of the societies during the discussion of the subjects that relate to their working. There must be a central organisation to see that the resolutions passed at the Conference do not remain a dead letter. If the resolutions are of a far-reaching character, an honest endeavour should be made by the governing bodies of the Societies to carry out the spirit of the resolutions, in so far as they may be applicable to the conditions prevailing in the respective Societies. Thus if the Co-operative Conference is to be an annual feature in Bombay we must do all that is necessary to make it a reality and a success. I therefore propose that a Standing Committee constituted of the different Co-operators in Bombay be appointed: (1) to organise a Co-operative Conference every year in Bombay, and empowered

- (2) to draft rules and a Constitution for the Conference for future guidance,
- (3) to collect funds to meet all expenses incidental to the holding of such annual gatherings,



- (4) to publish the report of the Conference,
- (5) to take steps to carry out the resolutions passed in the Conference,
- (6) and to call for reports from the different Co-operative Societies in Bombay and suburbs, relating to the progress of the work done by them in furtherance of the resolutions passed in the Conference.

S. N. KARNAD.

## XVI Summary Procedure in Liquidation of Societies

The idea of having recourse to some summary procedure for the recovery of the dues of a Co-operative Society is not new. Our distinguished countryman the late Mr. Gokhale realized the difficulty of recovering the dues of a Society through the existing Civil Procedure as early as 1903 when the Co-operative Credit Societies Act, 1904 was being discussed in the Imperial Legislative Council. In his speech on the subject he observed: The absence of some summary procedure for the recovery of the debts due to the Societies is also likely to interfere with the success of these Societies. I admit the full force of the observations made by the Honourable Mr. Denzil Ibbetson on this point. It seems to me however that on the whole the balance of consideration lies on the side of providing some such procedure or at any rate some special machinery of arbitration. Section 26 provides for summary recovery of debts due to Government. But the Societies must go to the Courts and bear the expense and costs of such procedure. I think some summary procedure is necessary and special courts might be organized for the adjudication of such claims. Sir Denzil Ibbetson declined to countenance any special procedure for the recovery of the Societies' dues. He said "It is true the recovery of debt by Civil suit is a tedious process and a society of the sort we are considering is perhaps the least fitted of all agencies to conduct such a suit. But it is a serious matter to place our executive at the disposal of a private creditor. And above all, such artificial assistance would discourage the exercise of vigilance and caution upon which the Societies should depend for their security. The same question has again and again been raised on various occasions at Divisional and Provincial Conferences of Co-operative Societies and also in the Conferences of the Registrars. In this paper I propose to lay before you a few suggestions for improving the procedure of Liquidation and winding up of Co-operative Societies.

2. The necessity of modifying the present procedure has been recognized both by the Government of India and the Committee on Co-operation. The Government of India in para 18 of their very comprehensive resolution of 17th June 1914 do not object to the adoption of the special methods in the case of recoveries at the time of Liquidation or when suits are brought by Central Bank against their constituent Societies. The Committee on Co-operation in para 87 of their report have made a more definite pronouncement on the subject.

3. With the extension of the Co-operative movement it is the experience of every province that a few Societies fail every year and have to be wound up. The causes of the failure are various, and include the want of due supervision, indiscreet loans, contumacy of borrowers, unpunctuality in repayment, dishonesty, incompetence of societies' officials, bad selection of members, the extension of societies over too large areas, internal dissensions, the preponderating influence of one member, and the general lack of interest by members in the affairs of the societies. However, much care may be taken, occasional failures owing to one or other of the reasons mentioned are bound to occur, and since liquidation is contemplated by the Act in cases Societies do not prove successful, steps should be taken to mitigate the difficulties that attend liquidation. The success of a Co-operative Society depends on the confidence it inspires in the money lending public. The amount of capital hitherto obtained in the way of deposits has on the whole been disappointing in the opinion of the Committee on Co-operation, and it is no wonder it should be so. The Registration of a Society in order to inspire confidence in the investing public should not only ensure supervision and audit by a staff controlled by the Registrar during the lifetime of a Society, but should also give the depositors from the village and outside, the assurance that their dues will be promptly recovered in case the Society is liquidated. Experience has shown that the existing procedure does not meet the difficulties of liquidation felt by the outside liquidator. It is a matter of great importance that Societies which are declared failures should be wound up as quick as possible, that dishonest members should be prevented from taking any advantage of the delays that occur, and that those through whose default the Society has been closed should be made an example to others. These objects cannot be obtained by recovery through the Civil Courts which



afford the dishonest debtor far more scope for dishonest ingenuity. The Sub-Committee appointed to consider the present Liquidation procedure in the Registrar's Conference in 1912 reported that "some form of effective procedure should be devised to prevent recourse to civil suits and to enable the Liquidator to wind up a society as quickly as may be. We recommend that such procedure in liquidation should be similar to that prescribed in Section 44 of Act II of 1912."

4. Section 42 of the Act and rule 16 of the rules framed by the Local Government lay down the existing law on the subject.

Section 42 (3) of the Co-operative Societies Act empowers a Liquidator appointed for carrying out the purposes of the section to summon, and enforce attendance of witnesses and to compel the production of documents by the same means and (so far as may be) in the same manner as is provided in the case of Civil Courts under the Code of Civil Procedure, 1908. The terms of the Section are very vague and the words 'so far as may be' make the section rather indefinite; and it is doubtful whether a liquidator in the case of non-compliance can proceed to punish the delinquent. To avoid this difficulty the words 'so far as a may be' may be eliminated and the liquidators may be recognized as a Public Servant within the meaning of the I. P. C. so that failure to comply with summons to attend may be punishable under sections 174 & 175, I.P.C.

No distinct provision has been made either in the Act or the rules authorizing the Liquidator to enforce the attendance of the defaulters and their sureties at the time of the proceedings and it is very often difficult to procure the attendance of dishonest and recalcitrant defaulters and sureties. The amendment proposed in new draft rules 35 (6) and 36 would meet the case of members from whom the dues of societies are to be collected. The Liquidator may be granted similar authority to enforce the attendance of all debtors, their sureties and contributories.

Under section 234 of the Indian Companies Act, the Liquidator of a company may with the sanction of the Court compromise all claims subsisting between the company and a contributory or debtor and all questions affecting the assets of the winding up of the company on such terms as may be agreed, and take any security for the discharge of such claim and give a complete discharge in respect thereof. Similar powers may be given to the Liquidator of a Co-operative Society. He may be allowed to compromise claims with the sanction of the Registrar.

6. Under section 42 (5) the orders made by a Liquidator are enforced on his application by a Civil Court having local jurisdiction, in the same manner as a decree of such court. The real trouble of a Liquidator begins from the moment he is obliged to have recourse to the Civil Court for the recovery of the dues, of a cancelled society. The delay caused in execution proceedings by recalcitrant defaulters, the difficulty of serving processes and recovering the dues through the Civil Court Bailiff by attachment and sale of the property are well summed up by Mr. Campbell in para 7 of his note on the summary procedure for the recovery of the co-operative societies, dues, read at the 2nd conference of Registrars in 1907:—"But who, I asked, is to be the champion of an experimental society to face the bugbear of Civil Proceedings as they now are and weary himself physically and mentally, spend and be spent, in trying to bring a traitor to justice-not criminal justirt unfortunately but civil-with the bare possibility that the society will not lose on the whole proceedings? This is to recompense the altruistic individual for all his trouble." Liquidators have to spend large sums in looking after cases in court. The proceedings drag on, some time for years and the financing institutions and depositors suffer considerably. Among the various causes which tend to delay matters in execution through the Civil Courts may be mentioned long adjournments which may extend to 10 weeks; and of throwing the responsibility of serving the processes et cetera on the judgment creditor rather than on the Court Officials and Bailiffs whom, to quote from Mr. Campbell's note referred to above, "as novelty, no familiarity would shake his equilibrium. Does he always ask for money? Oh, no. But if you don't give, you find his visits unexpected and inconvenient and it may take months to get him right. He has business elsewhere." During the period when the agriculturists are expected to have some moveable property which could be attached on hand the Civil Courts are closed and they are reluctant to allow execution of decrees during vacations.

7. The Civil Procedure Code lays down that any appearance, application in or to any court should be made either by the Liquidator in person or through his pleader except when otherwise expressly provided. This seems altogether unnecessary and it is desirable that the orders of the Liquidator should be made presentable to the Civil Court by post instead of personally or through a pleader. The Court also in turn should obtain any further information which it requires by writing to the Liquidator. The costs incurred in the execution proceedings are actually much more than are allowed by the Courts. In execution proceeding the courts under Section 7



of the Legal Practitioner's Act 1 of 1846 allow only  $\frac{1}{4}$  of the fees allowed in a regular suit. The Liquidator has actually to pay full fees in addition to the extra costs and it may be stated with confidence that in at least half the number of cases at the end of the execution proceedings it is found that it has not been possible to recover anything through the Civil Court's bailiffs. To expect the recovery of a society's dues through a Civil Court is almost unpractical from beginning to end. Costs incurred is almost prohibitive for Co-operative societies which aim at cheap rates of interests and are working on very small margins.

8. According to section 38 of the Civil Procedure Code all the decrees for attachment and sale of immovable property belonging to an agriculturist have to be transferred to the Collector for execution by the Civil Court. The Collector, instead of proceeding at once with the sale of the property has under the Civil Procedure Code, to publish a notice allowing a period of 60 days calling upon all the persons holding a decree against the judgment debtor or having claims against the said property to submit a statement of such claims. He thus begins a fresh inquiry not only in the case of the decree holder who has applied for execution but all the liabilities of the judgment debtor. The object of this provision is to avoid the transfer of landed estates from old families to mere speculators; but for recovering dues of a cancelled co-operative society the need for adhering to the usual cumbersome procedure does not exist.

9. In point of recovery for the dues two processes exist; the one tedious and the other expeditious. The former is recovery through the Civil Courts and the latter through the Collector. Under Section 44 of the Act all sums due to Government from a society are recoverable as arrears of land revenue and it may be suggested that similar provision may be made for recovery of all dues of a cancelled society. When a society is declared to be under liquidation, orders passed by the Liquidator under Sec. 42 of the Act for recovery of the dues of the society from the defaulters, their sureties and contributories, may be made enforceable in the same manner as orders for the recovery of arrears of land revenue; and the Registrar of Co-operative Societies may be authorized under Section 5 of the Revenue Recoveries Act to send a certificate to the Collector of the District in which the property of the defaulter is situated and to request him to recover the sum as an arrear of land revenue; or he may be authorized to exercise the powers enjoyed by the Court of Wards under Section 29 of Act 1 of 1905. This would not create any undesirable precedent of placing the Government executive machinery at the disposal of a private creditor, nor would such assistance discourage the exercise of that vigilance and caution upon which the societies should depend for their security. In this case the requisition of a certificate or powers under the Court of Wards Act is limited firstly to the Registrar, and secondly to the Societies in liquidation, that is, those societies which have proved failures. Section 29 of the Court of Wards Act provides that "for the purposes of recovery of rents, profits, and other sums due in respect of property under the superintendence of the Court of Wards, (whether such arrears became due before or after the assumption of such a superintendence), the Court of Wards shall have all the powers possessed by a Collector under the law for the time being for the recovery of the land revenue due to Government including the power conferred by Section 176 of the Bombay Land Revenue Code. Section 68 of the Bombay Land Revenue Code even goes further than this and under it any holder of alienated lands to whom the Governor in Council issues a commission is empowered to demand security for the payment of rent due to him and, if the same be not furnished, to take such precautions as the Collector is authorized to take under sections 141 to 143 of the Code and to attach the defaulters' property. Surely if a good landlord can be authorized to recover his rent as if it were a public demand, the Court of Wards which manages the estate of a private individual who is incompetent to manage his own affairs is empowered to exercise all the powers possessed by the Collector for the recovery of the land revenue due to Government, for recovery of rents, profits and other sums payable in respect of the property under his superintendence, is it too much to demand the extension of the same principle to co-operative societies in the welfare of which Government is keenly interested ?

10. The suggestions made in this paper may thus be summarised:—

1. To empower the liquidator
  - (a) to enforce the attendance of all defaulters, their sureties and contributories of cancelled co-operative credit societies and
  - (b) to compromise the claims of the society with the sanction of the Registrar.
2. To make the orders passed by the liquidator under section 42 (5) presented to the Civil Court by post instead of personally of through a pleader.
3. To authorize the Registrar to issue a certificate under Section 5 of the Revenue Recoveries Act or to confer upon him the same powers as are given to the Court of Wards under Section 29 of Act 1 of 1905.



The advantages of the proposal are:

1. Speedy collection of outstandings and winding up of a proclaimed failure.
2. Greater security for depositors and financing institutions.
3. Freedom from Civil Courts' formal litigation costs and delays.
4. Safeguards against abuse.

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Co-operative Societies, N. D.

## XVII Co-operation among Factory Hands

There are in Bombay alone about one lakh and a quarter of mill-hands whose economic condition, if the benefits of the co-operative movement can be obtained for them, will be much improved. It is well-known that the mill-hands in Bombay are among the best paid labourers in the city. Their wages are comparatively high and owing to the fact that all the adult members of a family including women work in factories, the total income of many families averages from Rs. 35 to Rs. 45 per month. In spite of such earnings, how is it that we hear so many complaints regarding the heavy indebtedness of the mill-hands? As to the truth of these complaints there is not the slightest doubt. This has been verified more than once by people like Mr. Devdhar who have collected statistics from a large number of mill-hands. This was also brought out as one of the reasons why the grain-shops at the mills are not patronized to any appreciable extent by the millhands who are in the clutches of Marwaris who would threaten to call back their loans, if the hands ceased to patronize their (Marwaris') shops. What is the reason for this indebtedness in spite of high wages? From my experience with the mill-hands, about 6,000 of whom I employ, I attribute their indebtedness to the following causes:—

1. The irregularity in his work.
2. The love of his home in the villages where he invariably owns a piece of land and where the elders of his family stay.

In order to pay taxes on his holding which does not in all cases leave a sufficient margin for the assessment, and to maintain his people at home, he regularly sends a portion of his earnings and once in two years he takes a long holiday leaving his work.

3. Even while in Bombay he hardly works 20 days in a month, and the increase of salary in recent years instead of raising his standard of living has made him more irregular in his work.

4. The habit of spending money on drinks, for which ample facilities exist always near his place of work, so that as soon as he leaves his factory tired after a full day's work it is difficult for him to resist the temptation of the grog shop which meets his eye.

5. The expenses on marriage and religious ceremonies.

6. He is indebted to the money-lenders in Bombay who are also grain-dealers, which indebtedness is the result of one or more causes mentioned above; and these money-lenders take full advantage of their client's weakness and indirectly profit themselves in the prices of articles the grain-dealers supply him in anticipation of the receipt of his wages.

There is no doubt in my mind that if properly organised co-operation is introduced amongst mill-hands, many of the causes of their indebtedness which I have given above may be removed, if not wholly, to a great extent.

Now, in what way can co-operation be introduced? I tried to form co-operative societies in one of my mills, and four of these were registered but only one was successfully run and that, only for a few years. When I say successfully, I mean that moneys were lent to the mill-hands at a cheaper rate than they could get elsewhere, but even in this society there was absolutely no element of co-operation amongst the members. My engineer who took some interest in the society, evidently more to please me seeing that I was anxious to see the society a success than because of his faith in the movement, gradually lost his keenness for the work, and the society was sent into liquidation. The final accounts showed a surplus of Rs. 300 which has been kindly reserved by the Registrar for another attempt to form a society in that mill.

This experiment, however, showed clearly the many difficulties in the way of forming and afterwards successfully running co-operative societies among mill-hands. I am mentioning these



difficulties in order that they may be properly appreciated in any scheme that we may form for the organisation of co-operative movement amongst the factory men, which is, it is no doubt, an urgent necessity.

(1) The manager has enormous responsibilities in his mill, and his whole time is taken up by important work. He has neither time nor the patience to attend to the slow and tedious work of a co-operative society and, therefore, he does not care for it.

(2) The men who have got the greatest influence with the work-people are the jobbers in a department and the jobbers invariably lend their own money at high rate of interest, generally about one anna per rupee per month, to the men in their department; and they would never encourage their work-people to join a co-operative society.

(3) The mill-hands change so often, partly owing to their absence in their native village, partly owing to the habit of going from one mill to another, that there is hardly any personal sympathy between the hands and the departmental manager, which can be the outcome only of many years of contact.

(4) In some cases the friends or proteges of some head clerk or a jobber lend money to mill-hands and they do their best to discourage the movement.

(5) The main cause, of course, is that the hands themselves are illiterate and ignorant and do not understand or appreciate the conditions of co-operation and are, therefore, easily led away by others who have got their own axes to grind.

Supposing all these difficulties are overcome, and a co-operative society is started, then there come other difficulties. Let me tell you what some of these are:—

1. After registration we want a proper managing committee. As I have explained to you, the jobbers or the headmen will not join, and if they are induced to join, they will be a hindrance rather than a help. If we leave them aside, out of the illiterate lot it will be difficult to find sufficient number of men capable of forming an efficient managing committee. But assuming that we get together a managing committee, the next difficulty will be the basis for passing the applications for loans. The applicants, many of whom may own land in their native village, will not have any tangible security beyond their personal credit; and as I have pointed out, their personal credit has already been overdrawn with their money-lenders. Every one of the members will be a borrower and none a depositor, and all the loans granted will be on a system of extra sureties; for example A and B will stand sureties for loans to C and D, and C and D shall be in return sureties for loans to A and B.
- (2) The managing committee will have no basis to ascertain the needs of each member as is the case with managing committees in villages. There, of course, the managing committee can find out the truth or otherwise of the applicant's statement, such as purchasing of bullocks or sowing of seeds for cultivation or the like; and the managing committee can also see to the proper application of such money. In the case of mill-hands' society the principal objects of the applicant will be remittance to his native land and his expenses of living until his pay is received. First, the managing committee have no means of knowing whether the money at the village is really needed, or if it is needed, the money is used for that particular purpose. In the latter case, the loans can only be in dribbles for the needs of the man for a week each time and the work of the managing committee will be enormous.
- (3) In spite of all these difficulties, if the managing committee decides to give loans, where is the loan to come from? As I have pointed out all the members are borrowers and none lenders. Every pie of the working capital shall have to be borrowed, and the question will arise whether the society as described above, the value of whose tangible asset is nil, would command credit with the central banks for their requirements.

Taking an average sized mill of about 25,000 spindles and 600 looms, the wage bill will amount to Rs. 20,000 and even if advances to the hands be given equal to half the month's wages the total amount required will be Rs. 10,000 for such a mill. Larger mills will require considerably more than this and this amount is only required to meet current expenses of the work people, but if any serious attempt is to be made to liquidate their existing debts with the money lenders, nearly ten times that amount will be required. And it will be apparent that central banks will never grant such large loans on such poor assets.



The question then arises whether the case of mill-hands is to be considered hopeless and left unsolved, or some means be found by which some help may be given to them by the co-operative movement amongst the factory hands. In my humble opinion a great deal can be done for them by establishing a proper organisation for co-operation. In our experience we have found two systems by which co-operative movement can be expanded; one is from below and the other from above. In India we have often been taunted that, owing to want of education and other reasons, the movement is not spontaneous from below as in the case of European countries, and to a certain extent an artificial impetus is needed from above. This is quite true; but a great deal has been done for the benefit of the people by the co-operative movement, although it has been directed from above, and although it is true in many cases that certain organisations are unco-operative in the strict sense of the term. If India had waited for the movement to expand from below, we could have done nothing and would have had to wait for many years until national education was introduced. The co-operative movement in India will have to be tried by the direction from above on a still larger scale in the case of factory hands and Dock labourers in Bombay, and I am convinced that with a proper organisation it is possible to do a great deal in this direction, and I, therefore, make the following concrete proposals for the consideration of this Conference.

Such of the mill-owners as would like to help their hands should combine and agree to help them with the best of their ability in the following directions:—

(1) That a central organisation be established for the purpose of organising and thereafter supervising the co-operative societies in each mill. The organisation should be a full-time paid agency with a large staff trained in the work of propaganda and in secretarial work of the society; and the duty of this organisation would be to visit the mills, explain the objects of the movement and with the help of the managers try to form societies in convenient groups and departments in which they work.

(2) They should select intelligent hands who may have influence with the working people, as members of the managing committee attend the meetings of the managing committee; guide them into the principles of sanctioning loans, keeping accounts, and otherwise train them to manage their own affairs in the near future; on Sundays and holidays arrange for meetings or sports or *Kirtanas* when opportunity might be taken to give them indirect advice as to the advantages of co-operation in abstinence from drink, regularity in work, improving their standard of living etc.

(3) By inviting the help of the residents of that locality and other influential persons to approach Government to remove ready sources of temptation which at present exist under the present policy of providing convenient grog shops to the mill-hands.

(4) By providing tea or coffee shops at convenient centres in open compounds with small gardens where the work-people may be diverted from resorting to liquor shops. ::

All these will require funds, and the Mill-owners should in their turn help to maintain such organizations. In addition they shall have to co-operate with such organizations in these ways:—

(a) Not to forfeit the wages of any work-man who may have died or left the mill and whose debt might not have been fully paid to the society. As a central organization will control societies of a large number of mills, it will not be possible for the workman to escape his liability since he could be approached in another mill by the same organization.

(b) In the initial stage the Mill-owners should help the societies by depositing funds at low rates of interest or otherwise guarantee any loan which a society may borrow from the central bank. The rate of interest to be charged in the early stages to the mill-hands should be a quarter anna per rupee per month. This will be high, but will be only quarter of what they at present pay. The quarter anna will leave a good margin of profit to meet bad debts, and expenses will naturally be high owing to outside agency managing the society.

(c) The aim of the centralization should be to make the societies self-contained and as they show signs of improvement, the central organization should retire from active participation but continue to keep supervision and audit. The further details may be worked out but I should like to confine myself to the broad outlines of the scheme and its general principles, and I daresay that the Conference will be able to work out the various details.

VITHALDAS D. THACKERSEY