
ANNUAL REPORT
RELATING TO THE
ESTABLISHMENT
OF
CO-OPERATIVE CREDIT SOCIETIES
IN THE
BOMBAY PRESIDENCY
DURING THE
Year ending 31st March 1905.

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From

J. McNEILL, Esquire, I. C. S.,
Registrar, Co-operative Credit Societies,
Bombay Presidency ;

To

THE SECRETARY TO GOVERNMENT,
Revenue Department, Bombay.

Dated Poona, the 29th September 1905.

SIR,

I have the honour to submit the following report regarding the steps taken to establish Co-operative Societies in the Bombay Presidency during the year ending 31st March 1905. I regret that the submission of the report has been delayed, as at the close of the year I held charge of the Collectorate of Dhárwár in addition to my own duties.

2. The following is a brief account of my personal work during the year under report :—

Owing to my being very fully employed as Special Collector in Bombay in clearing off acquisition cases from my file before taking up my duties as Registrar, my actual work began when I took charge of the appointment on October 8th. During October having collected an office staff and arranged for office accommodation in Poona, I commenced the work of drafting rules, model by-laws and explanatory leaflets as directed in Government Resolution No. 5792, Revenue Department, of 30th July 1904. On 30th October I went to Dhárwár and during the next fortnight visited Hubli and Belgaum, discussed the draft by-laws with local officers and non-officials, and arranged with the District Deputy Collector, Dhárwár, regarding the selection of villages and the method of organisation. I returned to Poona on 18th November, consulted the Assistant Legal Remembrancer regarding the draft rules and by-laws and submitted the rules to Government at the end of that month. These were published provisionally on 23rd December 1904 and finally issued on 3rd February 1905. On the 1st of December I left Poona and joined the Collector of Ahmedabad at Camp in Prántij on the 3rd December to discuss the by-laws, manner of raising capital, rate of interest, and other matters connected with the organisation of societies. On 7th December I returned to Bombay, and submitted the account forms and draft by-laws to Government on 12th December. The work of translating the leaflets, by-laws, &c., into Maráthi, Gujaráti and Kánarese was then undertaken, and during the next seven weeks I was occupied with the revision of translations, proofs, &c., and the issue of this printed matter. On 21st December I went to Dhárwár and until 19th January toured in the Dhárwár District and talked over the proposals with officials, intelligent non-officials, and meetings of villagers. I also had interviews with the Roman Catholic Chaplain and the Principal of the Basel German Mission in Dhárwár and with the Reverend Canon Livingston of Gadag regarding the formation of societies for weavers and others. During this time proposals were submitted to Government for regulating the grant of Government loans to rural societies in accordance with the general orders of the Government of India. Delays in the printing of matter to be circulated kept me in Poona from 20th January till 7th February, with the exception of an interval of 3 days occupied in a visit to Loni where two meetings of villagers were held. During my halt at Poona I inquired into the possibilities of establishing societies in the neighbouring sugarcane-growing villages. Between the 8th and the 25th February I visited in succession Bombay, Kolhápur, and Sátára. In Bombay the establishment of an urban society to supply additional capital to rural societies was suggested to a

few native gentlemen who undertook to ventilate the proposal among their friends. In Kolhápur I was engaged for a few days on special duty, and in Sátára I discussed with the Collector certain proposals received from a resident of that district as well as the general question of organisation work. On my return to Poona on 25th February as I had learnt that in almost all districts the season was unfavourable for anything more than the explanation of the system proposed, I decided to visit the eastern part of Khándesh where conditions seemed to be more hopeful. I left Poona on March 1st and reached Dhulia on the 3rd idem where I met the Collector. During the month of March I toured in the Khándesh District, halting at Amalner, Chopda, Nandurbár, Bhusával, Yával, Sávda, Ráver, Bhond, Ghodasgaon and Edlabad. At these places I explained the constitution and working of rural societies to meetings of villagers, small or large, and to the Mámlatdárs. At Nandurbár Mr. Curtis, the Collector of Khándesh, presided at a meeting of merchants, pleaders, and others who were interested in the formation of an urban society in that town. Model by-laws for an urban society were supplied to them, and those most interested promised to form a society in November. My tour in Khándesh ended on March 31st, and on April 1st I left for Bombay.

3. As regards the rules framed under Section 27 I think little comment is required from me, especially as no adverse criticism has been brought to my notice. They required societies to frame by-laws regarding matters about which it was necessary that there should be a clear understanding in the interests of members and left societies free to propose by-laws regarding any other matters which the promoters considered to be deserving of regulation. The model by-laws issued for the use of rural societies have been drafted on the lines of the model by-laws issued by the Irish Agricultural Organisation Society. Before their issue experienced native officers as well as other gentlemen in close touch with agriculturists were consulted, and both by-laws and explanatory leaflets seem to be easily within the comprehension of intelligent villagers.

4. Having regard to the opinion very widely entertained that at the outset societies should not be hampered by too many rules, the issue of detailed by-laws for adoption by pioneer societies may require justification. My own experience both before the passing of the Co-operative Credit Societies Act and subsequent to my appointment as Registrar convinced me that while villagers were willing enough to recognise the advantages of co-operative credit they were not disposed to take any action unless detailed instructions for their guidance were prescribed. Village committees so far from resenting restrictive rules are timid about undertaking responsibility without directions as to its exercise. Villagers who are invited to subscribe capital or to join a society practically as borrowing members are, I have invariably found, anxious that there should be no ambiguity about their own rights or duties or about the duties of the officers of the society. The only matter regarding which freedom is desired is the committee's discretion to grant or refuse loans and to admit or reject applicants for membership.

5. In their Resolution No. 4073, Revenue Department, of 30th May 1904, Government directed that organisation work should be begun in the districts of Ahmedabad, Kaira, Ahmednagar, Poona, Dhárwár and Sholápur. On taking over charge I found that the conditions of the season had proved unfavourable to the establishment of the societies, except in Dhárwár and in parts of Ahmedabad. In these districts local officers had held meetings and provisionally selected villages, and in the town of Kaira the formation of a society was projected. Elsewhere efforts to attract popular attention were unsuccessful, the organisation of societies being rendered practically impossible by the inability of the people to subscribe capital. It will also be remembered that while the conditions of the season rendered the agriculturists generally both less able and less willing to launch out into new enterprises the same cause added considerably to the work of District Officers and gave them less time to undertake organisation work. In Sholápur action was taken later which resulted in the establishment of a society at Tadval in the Bársi Táluka just after the close of the year under report. The work actually done up to February, when vernacular copies of the by-laws, leaflets, and forms of account were available for

distribution, was necessarily confined to the general discussion and appreciation of difficulties and the overcoming of removable objections. It will thus be seen that in the Presidency generally the work was undertaken under adverse conditions, and that the people could not be asked to adopt the model by-laws, with or without modifications, until within a month of the end of the year.

6. No society was registered during the year. Before the rules were published, an application accompanied by draft by-laws for the registration of an urban society was received from Hyderabad (Sind). As I was legally advised that the by-laws would be invalid unless made in accordance with rules framed under section 27 I replied to that effect. When the rules were issued I again wrote to the address given in the application, but my letter was returned through the Dead Letter Office. The society had been promoted by Mr. Dayaram Gidumal, whose transfer from Hyderabad caused the project to collapse. Applications were received from Bakrol-Visalpur in the Ahmedabad District in October 1904, and from Kaira in March, no by-laws being submitted in either case. I declined to register the societies until by-laws were adopted, and both societies were eventually registered after the close of the year. Though no society was registered during the year the work of organisation was in some cases practically completed during the year. The detailed explanation of the model by-laws and their adoption necessarily took some time, and even where, as in Ahmedabad and Dhárwár, advance copies of the by-laws had been discussed, the villagers were not anxious to have their society registered until they had arranged for the collection of capital. The most favourable time for the subscription of capital in most districts being the rabi harvest season applications were withheld until April and May. The names of the societies now registered and the dates of registration are given in the following table:—

Serial No.	Names of the Societies.	District where situated.	Date of Registration.
1	Kanginhal rural Co-operative Credit Society, Unlimited	Dhárwár	8th May 1905.
2	Bakrol-Visalpur do.	Ahmedabad	18th "
3	Hulkoti do.	Dhárwár	24th "
4	Chik-Handigol do.	Do.	24th "
5	Unkal do.	Do.	24th "
6	Tadval do.	Sholápur	26th "
7	Aminbhavi do.	Dhárwár	1st June 1905.
8	Garag do.	Do.	1st "
9	Annigeri do.	Do.	14th "
10	Malsamudra do.	Do.	8th July 1905.
11	Utthrsanda do.	Kaira	8th "
12	Kaira do.	Do.	10th "

7. While attention was mainly devoted to the organisation of rural societies with unlimited liability in Bombay, Poona, Nandurbár, Dhárwár and Hubli, I discussed with individuals and with small groups of interested people the formation of urban societies. In Hubli and Nandurbár it is likely that such societies will shortly be formed, and a number of gentlemen have agreed to form a society in Bombay in order to supply capital in small sums to rural societies. A short set of model by-laws for adoption by urban societies has been drawn up and a limited number of copies issued to applicants and others, but it cannot be hoped that these will be found so generally applicable as those suggested for adoption by rural societies. The constitution and working methods of urban societies will show considerable variations and any general set of rules must at least be supplemented liberally, even if not modified, before adoption. During the year I held general meetings in a few towns and villages, but am now disposed to regard such meetings as for the most part unprofitable in the early stages of organisation work. A more effective method of procedure appears to be the wide circulation of leaflets to be explained in private to the less intelligent and less educated members of the community and a discussion of difficulties with selected persons able and willing to influence their neighbours. With these

preliminaries a general meeting may be a useful conclusion. More solid work is done at the smaller gatherings.

8. The model by-laws have been adopted without alteration in the societies of the Dhárwár District, and elsewhere with very slight modifications. When modifications are proposed they are approved without question, provided they are (a) consistent with the Act and Rules and (b) in accordance with ordinary business principles. By-laws containing modifications inconsistent with the Act or Rules are returned for correction. When a modification proposed is legal but dangerous the danger is pointed out and according to its gravity the by-laws are either approved as they stand with a recommendation to reconsider the objectionable clause, or before final approval the applicants are asked to revise the by-laws. In all the registered societies the liability is unlimited. Many of the native officials and native gentlemen interested in organisation work were at first doubtful if the villagers would not be alarmed if urged to establish societies with unlimited liability. Some of the vernacular newspapers objected vigorously to this form of society. The fact that the system proposed in the model by-laws involves unlimited liability may possibly have deterred influential persons from interesting themselves in organisation work, though no case of the kind has come to my notice. If dislike of unlimited liability has anywhere chilled the enthusiasm of benevolent villagers of good standing it may be hoped that the example of the societies now registered may inspire them with more confidence. In the villages which I have visited the ordinary agriculturist accepts unlimited liability as natural. I propose to register no rural society in which the liability is to be limited unless careful inquiry shows that it is impossible to organise a society on the basis of unlimited liability. Apart from the fact that societies with unlimited liability are more genuinely co-operative, the committee are more likely to exercise care in granting loans and the whole body of members are more interested in preventing default. It seems probable that in the long run better results will be attained if not only defaults but difficulties in recovery are obviated in the pioneer societies.

9. After my visit to Khándesh I recommended the appointment of an Honorary Organiser for that district, and need not re-state here the reasons put forward in support of the proposal. Since the close of the year I have carefully considered the question of accelerating organisation work and simultaneously with the submission of this report I am proposing that an organiser be appointed for the Southern Division. My reasons for making this proposal are that the field is promising, and that District Officers are too fully occupied with other work to give this work the special and sustained attention it requires. The education of a single village from the first explanation up to the submission of the application for registration and the subsequent initiation of the committee into their duties is a slow process. Repeated visits are necessary, and on each visit new difficulties must be overcome. Even when the people are anxious to have a society and are willing to subscribe capital they expect to be gently pushed through every step and to be given a little breathing time between successive steps. The officer organising the society must keep in close touch with the leading villagers throughout the whole period. I cannot personally undertake this work all over the Presidency. The District Officer at present in many, if not most, districts finds it difficult to get through his routine work, and my experience in the Dhárwár District at the close of the last touring season would seem to indicate that while the Record of Rights is under preparation Assistant and Deputy Collectors, except in very lightly worked districts, are unable to do more than generally recommend co-operative societies to popular notice. What is needed, however, is an officer who can keep the movement alive in a village until all difficulties are surmounted. Mámldárs might possibly effect something, especially if they seriously tried to understand the not very voluminous printed matter circulated to them. But even Mámldárs who have the time and inclination to take up this work will be more successful if their efforts are stimulated, directed and supplemented by a special organising officer, who will preserve the continuity of the work even when District and Táluka Officers are transferred.

10. Though Government directed that at the outset operations should be confined to certain districts I thought it desirable to circulate copies of the

leaflets, by-laws, &c., to all districts. With a few exceptions in the non-selected districts the District Officers have not unnaturally taken no active steps beyond circulating this printed matter. In some the temporary condition of the district rendered any further action inexpedient. Unless Government desire that action should still be restricted to the districts specified in Government Resolution No. 4073, Revenue Department, of 30th May 1904, I think it would be well to issue orders intimating that, as far as is practicable, encouragement and guidance should be given to persons interested in the formation of societies in all districts. In Surat, a non-selected district, two villages have arrived at the stage of practically considering the model by-laws. I had arranged a visit to one of these villages during the year, but owing to the illness of the Assistant Collector who was the moving spirit I was compelled to abandon my intention. From Kánara, another non-selected district, a pleader and money-lender came to discuss details with me in Dhárwár, and scores of letters asking for information have been received from such districts. I have now arranged to meet the Collector of Belgaum at Gokák in connection with an application from that town. I mention all these details because at a time when no definite proposals were put forward it was thought impossible to organise societies in the majority of districts, and unless the attention of District Officers is again directed to the question, both they and their subordinates may regard it as beyond the scope of their duties, if not opposed to the wishes of Government, to manifest active concern in the establishment of co-operative societies.

11. Though the existing societies have all been registered since the close of the year and fuller details regarding their organisation will appear in next year's report, I think Government will desire to know how they proposed to raise their capital. The constitution and working methods are as outlined in the model by-laws. In all the societies the entrance fee is very small, eight annas to a rupee, and in only one society is capital raised by debentures. The ordinary method of raising capital is by taking from members fixed deposits, bearing interest at 6½ per cent., not repayable within 5 years, the subscribers being the more substantial members and the amounts paid by individuals varying from Rs. 5 to Rs. 300. The total amounts so raised by individual societies vary from Rs. 500 to Rs. 2,600. Seven societies have applied for a Government advance, and all these applications have been sanctioned, the loans ranging from Rs. 500 to Rs. 2,000 repayable in twenty annual instalments. The rate of interest charged to members is usually 9½ per cent. I re-visited seven of the eight Dhárwár district societies at the end of August and found that in five the work was being carried on excellently. In one no serious mistake had been committed, the accounts were most carefully kept, but the committee had hardly risen to its responsibility in distributing the loans or fixing the period of repayment. The defect was apparently due to the novelty of their duties and not to any wilful abuse of their trust. The remaining society could not collect deposits and could consequently obtain no Government advance and will require a good deal of nursing before it reaches a healthy and active condition. The existence of factions in this village, combined with a very moderate harvest last year, are mainly responsible for this result.

Owing to my employment in Dhárwár from May to August I have been unable to visit Gujérát since the societies were registered. They are with one exception still engaged in collecting capital.

12. In paragraph 7 I referred to the organisation of an urban society in Bombay. Early in April I re-visited Bombay and met at the Orient Club a number of gentlemen who, from motives of philanthropy, undertook to form a society to make advances to village societies. The constitution having been discussed I forwarded a draft set of by-laws which after some correspondence has been slightly modified and agreed upon. The society has not yet been registered as the promoters are men with little leisure who move about constantly in and out of India. I hope that on the return of the Honourable Mr. Vithaldas Damodar Thackersey to Poona shortly, the final formalities will be arranged. Particular reference is made to this society because it is expected that it will hereafter render valuable assistance to rural societies by lending them capital at 5 to 6 per cent. The latter cannot hope for some time to have their credit recognised by banks, savkars, etc. Their capital will ordinarily

consist of the sum raised from members as fixed deposits and an equivalent sum, subject to the maximum of Rs. 2,000, lent by Government. If a village can subscribe Rs. 1,000, its loanable capital will be Rs. 2,000. But the fact that the villagers can subscribe Rs. 1,000 in cash is in itself very strong evidence that the capital required to finance the village during the year is not less than 3 or 4 times that amount. If, therefore, the society is to meet all the needs of its present and prospective members, it is desirable that it should be able to borrow more capital as soon as the committee and the members are familiar with the management of the society's affairs and have acquired confidence in themselves. Further, there may be cases where the people cannot subscribe enough to give their society a fair start in life though they could manage borrowed capital. The projected Bombay society will make experiments in financing such societies.

I attended several meetings during the past year in Hubli where a number of merchants and pleaders appeared to be anxious to form a similar society. They have not yet agreed on a set of by-laws and are, I think, postponing matters until they see how the infant societies in the Dhárwár District manage their business. In this case the promoters did not profess to be moved primarily by philanthropy though that motive was probably not entirely absent.

I have since this report was begun received an application for registration from an urban society in Bombay of which the proposed by-laws authorise the raising of capital amounting to several lakhs. Power to lend to rural societies is taken in the by-laws, which have been returned for reconsideration and completion.

I have sent to a District Police Superintendent for criticism a scheme for the constitution of a society of which membership is restricted to the Police officers of a district.

13. Several native gentlemen have expressed interest in the establishment of grain banks in widely distant localities, probably owing to references in the public press to institutions of this kind. I have not, however, been able to render any practical assistance in this direction. It will be readily recognised that arranging for the storage of grain and for its continuous protection is more difficult and more costly than the deposit of money for safe custody in a savings bank. The object in view also appears to be attained at least as satisfactorily by a society which transacts business in cash. It has been explained in the published leaflets and repeatedly in oral discussion that a society can lend money advantageously to enable a member to hold over his produce from the harvest season when prices are low until prices have substantially risen. The money may be spent on meeting ordinary living expenses, but as a cultivator will pay about 3 per cent. for a four months' loan and the increase in price of the equivalent quantity of grain may be from twenty per cent. upwards the loan is most reproductive. So far as securing the cultivator proper market facilities and enabling him to keep seed for the next season the cash bank should be effective. On the other hand the custody of a large quantity of grain involves no little responsibility, and carelessness may result in serious loss. It seems doubtful if direct official management can under ordinary circumstances be dispensed with at the time of storing, during storage, or at the time of disposal. Amongst backward people it may be most desirable to organise such stores under official control, but cash banks would seem preferable elsewhere. The latter agency can obviously meet requirements which a grain store cannot supply. In so far as grain stores directly contribute to the retention of large stocks of grain in areas liable to famine their establishment may deserve official encouragement and assistance. The organisation of village co-operative societies in the same area would, if practicable, probably be as useful in bad seasons and much more useful at other times. In all schemes suggested to me official management was an essential part, and if a Mámlatdár could manage permanently one or two small stores, which is extremely doubtful, he could not manage the storage of a taluka either in one or in several stores.

14. I referred earlier in the report to interviews regarding the establishment of societies in sugarcane-growing villages round Poona and to my visit to Loni. The result of my inquiries was to convince me that ordinarily a co-operative society could not meet the wants of such villages. The capital

outlay amounts to Rs. 300 to Rs. 400 per acre of sugarcane grown, and the supplier of capital must arrange to dispose of the product (jagary). The smaller cultivators are now more or less indebted to the savkar brokers, and unless the society could, if required, pay off their existing debts the cultivators cannot abandon their creditor. Mr. Brander, the Assistant Collector, has, I think, proposed a more practicable method of providing the capital required by sugarcane growers under the existing and projected canals.

15. I regret that this report on the first six months of the work cannot show a single society as registered during that period. I think, however, that useful and necessary preliminary work was done. By means of the leaflets published the methods recommended have been communicated to all parts of the Presidency. Some of the vernacular papers rendered good service in publishing *in extenso* or in brief the contents of the general leaflets and in calling attention to the movement. The *Shet, Shetki, and Shetkari* has frequently invited its readers to act upon the suggestions put before them. Even since the close of the year under report the number of societies registered has been few, but it should be borne in mind that the last season was unfavourable to the subscription of capital locally and that very frequently, if not generally, villagers do not see the utility of having a society registered till they know that capital will be forthcoming. The transfer of an Assistant Collector or of a Mámlatdár, the death of a leading villager, and numberless other accidents result in postponing the fruition of organising work. Now that the widest publicity has been given to the proposals, I think that systematic work conducted in promising localities by selected organisers must result in the gradual introduction of rural societies. While, I think, Mámlatdárs might render more assistance in many districts, I fear that organisation by District Officers must, for the reasons above stated, be slow and spasmodic.

I have the honour to be,

Sir,

Your most obedient servant,

J. McNEILL,

Registrar, Co-operative Credit Societies,

Bombay.

*Annual Report on the working of the
Co-operative Credit Societies in the
Bombay Presidency for the year ending
31st March 1905.*

No 351.

REVENUE DEPARTMENT.

Bombay Castle, 13th January 1906.

Letter from the Registrar, Co-operative Credit Societies, No. 496, dated 20th September 1905—Submitting his report regarding the steps taken to establish Co-operative Credit Societies in the Bombay Presidency during the year ending 31st March 1905.

RESOLUTION.—Mr. McNeill took charge of his appointment on October 8th, 1904, and this report relates to the work done by him as Registrar between that date and March 31st, 1905, a period of about six months. His Excellency the Governor in Council has read the report with much interest.

2. It was not to be expected that within so short a time much should be done in the way of actual establishment of Co-operative Credit Societies, nor does the Governor in Council consider it to be necessarily matter for regret that no society was registered before the end of March. The scheme is still, and, in the opinion of the Governor in Council, must for some time to come continue to be, in the experimental stage: and while it is as yet too early to predict with any confidence the extent of its ultimate adoption, it is nevertheless certain that its success or failure will to a very large extent depend on the results that may attend the societies first registered. It is accordingly most essential that before an attempt is made in any locality to establish a society, the people of that locality should as completely as possible understand the objects and scope of the scheme, that the greatest care should be exercised in the selection of villages for its inception, and that the societies first formed should, until they are securely established, be diligently fostered and their progress attentively watched. If these pioneer societies prosper, it is not too much to expect that their example will be followed with increasing confidence, and that future organisation will become progressively easier and more rapid: while the failure of any pioneer society would inevitably result in discouragement which would lead, if not to ultimate failure of the whole scheme, at any rate to an indefinite postponement of its adoption in that particular neighbourhood. Progress in the beginning, therefore, must of necessity be slow; but the Governor in Council considers that the careful examination of conditions of different localities, the framing and distribution of rules, model by-laws, and forms of account, the explanation, wherever registration appeared feasible, of these and of the objects of the scheme, and the discussion and removal of difficulties and objections, constitute a satisfactory record of very necessary preliminary work done during the short period to which the report relates. Mr. McNeill has properly made no haste to commence actual registration of societies till these preliminary measures had been carried out, and has done well to confine it to those villages in which he had made sure of his ground. The Registrar has thought it necessary to explain specially his reasons for furnishing societies with model by-laws. Their best justification lies in the ready though by no means servile adoption of them by the societies started since the close of the year. At the same time the by-laws are undoubtedly elaborate, and it may be that something simpler will prove, as time goes on, to be better adapted to the constitution of these small societies.

3. In two only of the districts mentioned in Government Resolution No. 4073, dated 30th May 1904, was it found possible to start the work of organisation before the end of the year (March 31st): namely, in Dhárwár and Ahmedabál, the conditions of the season having in the remainder proved unfavourable to any attempt at the establishment of societies. Of the twelve registered subsequently to March 31st, it is noticed that eight are in the Dhárwár District, and of the rest two are in Kaira, one in Sholápur, and one in

Ahmedabad. No doubt the conditions of the Dhárwár District, the special knowledge the Registrar had acquired of it by previous service there, and the natural bent of the bulk of its population, who, though they are primarily agriculturists, also take readily to business, render it more favourable than many other parts of the Presidency to the establishment of Co-operative Credit Societies: and in addition, as has just been noticed, the season elsewhere was generally adverse. While, however, it is better that the number of societies registered should, until those first established have been nursed into prosperity and placed on a thoroughly secure footing, be somewhat strictly limited than that any haste should be made to register a large number, it is nevertheless also, in the opinion of His Excellency in Council, desirable that these starting points, so to speak, of the scheme, should be as widely distributed as the varying circumstances of different districts will permit, and it is hoped that in the course of the next year or two it will be found possible further to equalise their distribution, so that, so far as may be, some examples of successful organisation will not be wanting in each of the several Divisions of the Presidency.

4. The districts mentioned in the Resolution referred to in the last paragraph were selected as being probably suitable for the inception of the scheme, but it was not at all intended to fetter the Registrar's discretion, either by restricting his operations to those particular districts notwithstanding that others might appear to afford better opportunities, or by limiting the number in which a beginning might be made, should he find himself able to extend his field. Mr. McNeill, therefore, did not in any way exceed his instructions by circulating copies of leaflets and by-laws to all districts, and by considering proposals for registration elsewhere than in those mentioned in the Resolution referred to.

5. Government will watch with interest the development of the urban societies which the Registrar hopes to establish in Hubli, Nandurbár and Bombay. The successful organisation especially of a society such as that whose establishment is contemplated in Bombay, which would advance capital in small sums to rural societies, would no doubt be in the highest degree useful. Generally speaking, however, it will probably be best for the present and for some time to come that attention should mainly be directed to the formation of rural societies and to putting these on a secure basis independently of such assistance as may be expected to be some day available from one or more of the kind contemplated in Bombay.

6. Government agree in the main with Mr. McNeill's remarks (paragraph 13 of his report) regarding grain banks. But in view of their undoubted popularity with certain classes of native opinion, opportunities of forming them should not be neglected. Mr. Orr, the Collector of Ahmednagar, whose efforts in this direction in Thána met with warm appreciation by the Government of India, may be able to furnish the Registrar with useful suggestions on this point. A soundly established grain bank would compete effectively with the well-known system of *vádhi-didhi*.

7. Experience will no doubt show what are the most effective methods of initiating organisation in different areas. Government readily admit that, as the number of societies increases, the Registrar cannot be expected to give continuous personal supervision to each of them. But Government doubt whether there would for some time to come be work for the full time of another special officer. At any rate nothing more will be required beyond the additional strength which the Registrar's Department will receive if under the scheme which has been submitted to the Government of India the proposal is sanctioned that the registration work shall be handed over to the Director of Agriculture with the aid of a special assistant. The Governor in Council will readily help in the defrayal of reasonable expenses of Honorary Organisers. No method of spreading the movement is likely to be more successful than the taking about over the district of some influential and leading person who has been the successful originator or promoter of a society in his own neighbourhood, and there is force in Mr. McNeill's remark that in most districts Collectors, Sub-Divisional Officers, and Mámulatdárs already have their hands very full with their ordinary work, while from time to time their duties are rendered heavier by exigencies of unfavourable seasons. But District Officers should have their attention drawn

to paragraph 27 of the Resolution of the Government of India No. 1—63-3,* dated 29th April 1904. Attention to a special subject like this, while it cannot be rigidly exacted, will be given by officers who have an enthusiasm for it, without neglecting their ordinary duties. Indeed it is frequently, if not generally, the officer who is keenest in his ordinary work, who finds time for interesting special work such as that on which the Registrar is engaged. And all District Officers must remember that without their hearty support and co-operation the Registrar's efforts may be rendered wholly without result.

G. MONTEATH,
Acting Under Secretary to Government.

To

The Commissioner in Sind,
The Commissioner, N. D.,
The Commissioner, C. D.,
The Commissioner, S. D.,
All Collectors, including the Collectors and Deputy
Commissioners in Sind,
The Collector of Land Revenue, Customs and Opium,
Bombay,
The Director of Land Records and Agriculture,
The Registrar, Co-operative Credit Societies,
The Talukdári Settlement Officer,
The Manager, Incumbered Estates in Sind,
The Compiler, General Administration Report for the
year 1904-05,
The Private Secretary to His Excellency the Governor,
The Accountant General,
The Educational Department of the Secretariat,
The General Department of the Secretariat,
The Judicial Department of the Secretariat,
The Political Department of the Secretariat,
The Financial Department of the Secretariat,
J. P. Orr, Esq., I.C.S.,

With copies of
the report.

The Government of India,
The Under Secretary of State for India } By letter.

* Vide Government Resolution No. 4073, dated 30th May 1904.

THE
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SOCIETY.
POONA.

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