

REPORT  
ON THE WORKING OF THE  
CO-OPERATIVE CREDIT SOCIETIES  
IN THE  
LOWER PROVINCES  
FOR THE YEAR  
1904-1905.

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Calcutta:  
THE BENGAL SECRETARIAT BOOK DEPOT.

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No. 379C.C.S.

FROM W. R. GOURLAY, Esq., I.C.S.,

*Registrar of Coöperative Credit Societies, Bengal,*

TO THE SECRETARY TO THE BOARD OF REVENUE, L. P.

*Dated L.-G.'s Camp, Bengal, the 12th August 1905.*

SIR,

I HAVE the honour to submit the following report on the working of the Coöperative Credit Societies in the Lower Provinces of Bengal during the year 1904-1905:—

I.—A SHORT HISTORY OF THE MOVEMENT IN BENGAL.

In 1892 the Government of Madras placed Mr. (now Sir Fred.) Nicholson on special duty to enquire into the possibility of introducing into that Presidency a system of agricultural or other land banks. Sir Fred. Nicholson's report was submitted in 1896. The two volumes in which it is comprised have been recognised as a "veritable mine of information and suggestion."

This report was reviewed by the Madras Board, who expressed the opinion that there exists no reason, on an impartial view of the economic condition of Madras, for any hasty interference with the present loan system in the villages. They regarded the inauguration of banks as hopeless on account of the entire absence of confidence between man and man and on account of the absence of the human materials for the working of the societies proposed by Sir Fred. Nicholson. The Government of Madras, however, took a somewhat different view. They recognised that while it was possible the economic state of the Madras raiyat was not so bad as Sir Fred. Nicholson led one to believe, yet it would be greatly to the advantage to the raiyat to obtain loans at a lower rate of interest under the conditions which would ensure the productive application of the money and stimulate thrift as self-help. The Madras Government recognised further that the province of State in this matter was not to grant subventions, but to remove all obstacles from the way of organising societies, and with this object in view they suggested that Mr. Nicholson should, as an experiment, start a few banks in a suitable locality.

The Government of India, on reading the report and the Resolution of the Government of Madras, considered that it would be well to circulate the report and to enquire whether useful actions could not be taken in this matter in other provinces. The Government of India were of opinion that steps might be taken to induce intelligent and public-spirited native gentlemen to study the question; they also suggested that it might be possible to promote the establishment of village banks on Government estates and estates under the Court of Wards. If successful measures could be obtained on such estates, the large landowners might be induced to follow the example thus set. The report was therefore circulated, and at the same time the Government of India drew attention to a volume entitled *People's Banks for Northern India* which was published by Mr. Duperneux, c.s.

The Government of the North-West Provinces at once commenced to experiment. Mr. Duperneux was placed on special duty, and on the 28th November 1900 he submitted a long and interesting report on the results of his short experience. One important matter had been learnt. The idea of financing the village societies with the aid of town societies and described in Mr. Duperneux's work was given up and the scheme for the establishment of a Central Organisation Society was set forth. Mr. Duperneux in his report gives an

account of his experiments in Allahabad, and afterwards discusses the questions of extension with the rest of the province, of Government assistance and of legislation. The societies established by Mr. Dupernex were all on the Raiffeisen basis, explained on page 171 of *People's Banks for Northern India*.

On the 19th of December 1900, an informal Conference was held at Calcutta and the whole matter was considered. This Committee agreed that the Raiffeisen type of society was the type most likely to succeed in India, because the societies had dealt most successfully with the question of village credit in Europe and because this type at the same time developed conditions, habits and qualities essential to rural stability and progress. The Conference came to some general conclusions and recommended that if the general principles be accepted, the details should be discussed by a competent Special Committee.

This Special Committee met on 1st June 1901. It was composed of Sir Edward Law (President), Sir Fred. Nicholson, Messrs. Fuller, Wilson, Murray and Dupernex. The opening paragraph of the report summarises the Committee's work: "Accepting the establishment of Coöperative Credit Societies as the object in view, we have considered first the lines upon which such societies should be worked, the privileges which should be acceded to them, and the extent to which it might be advisable that they should be aided by Government funds and subjected to Government control. We have next proceeded to consider the practical forms a society constituted on these principles should assume, and have drawn up two model schemes of management for the two classes of societies which we contemplate. Finally, we have discussed the extent to which legislation is required to secure to such societies as may be started the privilege which we recommend for them and to provide for their due working and supervision, and we have embodied the results of our deliberations in a draft Bill.

The conclusion of the report is as follows:—

"We are convinced that the experiment is worthy of every encouragement and of a prolonged trial, and we believe that the lines we have indicated are those which offer the most reasonable hopes of success."

The Government of India sent on this report to the Provincial Governments, noting the inclusion in the scheme of urban banks which has not hitherto been considered and asked for opinion.

In Bengal Mr. Lyon was put on special duty to enquire into the matter and to start a few experimental banks. Mr. Lyon was on deputation from 4th November 1901 to 7th February 1902. He visited the experiments in the United Provinces first and then established some banks in specially selected districts of Bengal.

The reply of the Government of Bengal, which was submitted in April 1902, proposed that urban societies should be left alone in the meantime, and recommended that special officers should be appointed for many years to come to supervise the development of the scheme.

The Government of India having considered the opinion of the Local Governments proceeded to frame a Bill for the constitution and control of Coöperative Credit Societies. This Bill was introduced by Sir Denzil Ibbetson into the Council on 27th October 1903. In his speech Sir Denzil Ibbetson recapitulated the history of the movement and explained the reasons and object of the Bill. He laid great stress on the necessity for simplicity and elasticity, as the Bill was intended to apply to the whole of India with its widely different circumstances. He further explained that though industrial credit had been provided for, agricultural credit was the great aim. He gave the warning that progress would be slow, but recognised that no great progress could be made without active assistance and encouragement of the Government. The question of the financial assistance to be given by Government was also dealt with.

On the 14th March 1904 Sir Denzil Ibbetson presented the report on the Bill of the Select Committee of the Council. He explained that any alterations which had been made were in the direction of simplification and of freedom.

The Bill received the assent of the Governor-General in Council on the 25th March 1904, and on the 29th of April the Government of India issued a

Resolution explaining, for the information of their officers and the public at large, the considerations by which they have been influenced in framing the provisions of the Act and indicating the principles in accordance with which they desire that the Act should be worked. The Resolution was forwarded to the Provincial Governments accompanied by a letter directing the Local Government to select districts for the working of the Act, to appoint a Registrar and to frame rules under which he is to work. It was pointed out that though it would eventually be necessary to draw up rules under section 27 of the Act for the management of the societies, it would be well to proceed slowly in this matter and to provide for necessary matters in the bye-laws of the individual societies. The rules can be better drafted after the Registrars have gained some experience. The Registrar for Bengal was appointed on the 6th September 1904 and took over charge of his duties on the 25th October.

When I heard that it was the intention of the Government to appoint me Registrar of Coöperative Credit Societies under Act X of 1904, I at once applied for permission to study the subject in the countries of Europe, where coöperative credit was first tried and where the experiment has succeeded beyond the hopes of the original promoters. Leave was granted, and in the course of my absence from India, which extended from July 7th to October 22nd, I visited the principal centres of the co-operative movement and interviewed its leaders. I visited Ireland, Hungary, Austria, Bavaria, Frankfurt, Nassau, Neuwied, Italy and Egypt. I had interviews with Mr. Anderson, the Secretary of the Irish Agricultural Organisation Society; with Mr. H. W. Wolff, the leader of the movement in England; with Count Karolyi, the leader in Hungary; with Dr. Wrabitz, the head of the Austrian Union; with Dr. Cruger, the representative of Schulze-Delitzsch; with Dr. Haas, the leader of the Dramstadt Union; with Herr Giesbert and Herr Dietrich, the Managers of the Neuwied Central Bank; with Signor E. Luigi Luzzatti, the Minister of the Treasury in Italy, and with Lord Cromer in Egypt.

The time at my disposal was too short to admit of any detailed study of the different systems, but it was sufficient to give me a comprehensive view of the development of coöperative credit on the continent of Europe. It was long enough to convince me that coöperation is one of the greatest economic forces of the present day. I saw what its principles had done for agriculturists not a whit in advance of our raiyats in Bengal. I saw villages in which there was a society at work side by side with villages which had no such society, and the difference in the people and their conditions was evident even to the casual visitor. I am convinced that there is no reason why these principles should not do for the Bengal raiyats what they have done for the peasant of the Westerwald, and that this movement towards the establishment of coöperative credit will be the regeneration of many parts of India.

To make the movement a success, however, we must start on the right lines, and thereafter it will not be sufficient to blindly copy the rules laid down by Raiffeisen for the conduct of the societies of Rhineland peasants. We do not wish to copy an institution, but to follow the example of Italy and produce a new type impressing upon it the stamp of Indian conditions. Success will not come at once. Raiffeisen started his first bank in 1819, but it was not till 1854 that a second arose, and the movement did not make rapid progress till after the drought of 1893. The history is similar in other countries. For the first four or five years there will be little progress in India. It is useless to force on the establishment of societies till the interest has been aroused in the people. It would be easy to create societies by beat of drum, but we want to establish in India an institution which will be independent of the Government and which will stand alone. The education of the people will be an uphill struggle for many years to come. The rate of progress will not be rapid for the first ten years, but by the end of twenty years I believe that we shall see the principle of coöperative credit thoroughly established and understood, and when that time comes there will be no necessity for the Government to nurse the movement. As soon as the people have been taught the advantages of coöperation, societies will spring up of themselves in every large village. I have seen what the scheme has done for other countries, and I see no insuperable obstacle to success in Bengal. The Indian raiyat is not poorer than the German peasant, whose miseries and struggles aroused Raiffeisen's sympathy

and in whose worldly condition he effected so marvellous a change for the better. The panchayat customs too which still survive in social matters in these provinces offer a better foundation and greater hope of success than Raiffeisen had at the beginning in the Westerwald.

## II.—THE PRESENT POSITION OF THE WORK.

When I came out to India in October returns available showed that there were 58 societies in existence. Of these I inspected during the year 37. Nine of the remainder are situated in districts where I have talked the matter over with the Collectors. The returns submitted with this report show that there are at present 67 societies, of which 32 are in Government estates, 16 in wards' estates and 19 in private estates. In each village visited I have explained to the members the principles on which these societies are to be run in the future, and I believe that in most cases the principles have been understood and appreciated. Where I have discussed the question with the Collectors, these officers are in a position to explain similarly to the members in villages I was unable to visit, and I have provided a printed note which is appended setting forth what is necessary for the establishment of Coöperative Credit Societies. I found that it was impossible to completely audit the accounts while on tour. Many of the books were in utter confusion, and I had not the time at my disposal to unravel each one. I early came to the conclusion that it would be necessary this year at least to have all the books sent to Calcutta in order that they might be properly audited and proper balance sheets prepared.

During the five months I was in charge of the Department I spent 107 days on tour and visited 27 of the 45 districts in Bengal and 10 subdivisional stations, and had the opportunity of discussing the subject with seven Commissioners of Divisions.

As a result there are at present, in addition to the 67 societies referred to above, some 15 or 20 societies in process of formation. This number is quite sufficient to give us experience and therefore, except where there is a keen desire due to an honest wish to give the coöperative principle a trial, I do not propose to form new societies. In the future the procedure will be more militant, but at first it is well to move slowly. All our care and attention should be directed to those societies which we have established, and in future when the zamindars come forward and desire to know something of the movement, the societies are so distributed over the different districts of Bengal that it will be possible to refer them to pioneer societies within their own districts. They will then be able to see for themselves whether the raiyat appreciates the principles and whether the village societies are working on sound business lines. When the zamindar sees that the raiyats are benefited and that he himself can obtain a fair rate of interest on his capital without any trouble or risk whatsoever, he will be ready to start societies in his own estates. For the first three years, however, we will make no attempt to flood the province with societies: such a policy would be suicidal; it would only increase the work of supervision till it became impossible for one man to control it. It must be remembered that we ourselves are learning just as much as the raiyats. In India we want tens of thousands of these societies, and it would be the height of foolishness to retard the proper development of the scheme for the sake of showing in our returns an increase of new societies. If by the end of three years we can show two societies in each district working on sound Raiffeisen principles, we will not only have done well,—we will have done better than any other country in Europe, and we will be in a position to organise the whole movement from a sure foundation based on practical results.

After the close of the year I called for all the account-books of the societies, and I have appended to this report two statements of the statistics which I was able to glean from these documents and a statement of the balance sheets of the various banks. Too much attention must not, however, be paid to these figures, for in many cases they do not represent living societies, but rather statistics of loans which were granted some time ago and which have never been repaid. The great difficulty experienced in checking the accounts was the want of any personal ledger. Some form of personal account is

absolutely necessary; and as in all his transactions the raiyat is accustomed to have such a *hatchita*, the keeping of such an account would be no trouble to him; a balance sheet too at the end of the year the raiyat understands, and in most cases he is able to draw one up after a few short and simple instructions. In many cases no proper list of members has been kept, and it was impossible to get any information concerning the status and residence of the members. Another great source of difficulty was that the payment of interest was not shown separately from the repayment of principal. In other respects, however, many of the societies have made great progress. In Orissa the people understood the principles on which they were working better than in other places I inspected. The members of the banks there were mostly well-to-do *khas mahal* tenants. In one village there was no money-lender, and the bank was the only means they had of getting loans. The societies there are managed by the raiyats themselves without interference from tahsildars and other Government servants and the benefits are keenly appreciated.

In my diary which I append to this report I have given an account of a scheme which is at present being started by Mr. Christian of Muzaffarpur, and which I hope it will be possible to modify so as to bring the work of his societies within the protection of the Act.

In addition to the work done in the mufassal, rules have been drawn up and approved for urban societies amongst the amla at Motihari, Muzaffarpur, Khulna and in the office of Messrs. Mackinnon, Mackenzie & Co. of Calcutta, and a scheme has been drawn up for converting the present Purnea Central Bank into a Coöperative Credit Society with limited liability. During the winter I inspected the *dharamgolas* of Rai Parbutty Sankar Chowdhury and the grain-lending business carried on by Government in the Sonthal Parganas. The results of these inspections have been embodied in a note which is appended, and I am at present in consultation with the local officers working out a scheme for experiments in grain-lending business on a large scale. Mr. D. M. Hamilton has again generously come forward and offered to assist in the establishment of one *dharamgola* in every subdivision in the province.

A sum of Rs. 5,000 has been given by Mr. Pal Chowdhury of Moheshganj to form the capital of a central bank to be situated at Krishnagar for the purpose of starting Coöperative Credit Societies within the district of Nadia. The money has been made over to a Board consisting of the District Magistrate, Mr. Pal Chowdhury and a member of the District Board, and at present three subsidiary societies are in process of formation.

### III.—STATISTICAL STATEMENTS.

Before discussing the statistics given in the two statements appended to this report, I would again point out that deductions from them must be made very charily. Such statistics are always apt to indicate a greater rate of progress than really exists. Some of the figures, however, are instructive and tend to show that some progress has really been made and that the prospects for the future are by no means gloomy. The first statement is a complete list of all the societies at present in existence with particulars as to nearest post-office, whether the society is situated in a Government estate or private estate, the date of foundation, the names of the chief officers of the society, the number of members, the amount of entrance fees, the amount of least and greatest loans outstanding, the total number of loans outstanding, and the rate of interest charged to members. There are at present 67 societies with a total membership of 3,910, of whom nearly 900 joined during the year. Two thousand one hundred and thirty-six loans amounting to Rs. 18,483 were granted during the year and 1,405 loans, aggregating Rs. 13,865, are outstanding. The total business which passed through the books of these societies amounted to nearly half a lakh of rupees. The loans vary in amount from Rs. 3 to Rs. 100; but the average loan is about Rs. 10. This sum appears very small indeed, but it must be remembered that we are dealing experimentally with very small people. The rate of interest charged to members is in almost all cases  $12\frac{1}{2}$  per cent.: in a few it is  $9\frac{1}{2}$ —rates which represent 2 pias and  $1\frac{1}{2}$  pias per rupee per month respectively. There is not the least doubt that profitable business can be done at  $12\frac{1}{2}$  per cent., and this rate of interest is less than one quarter of the rate which the ordinary raiyats pay at present on loans of such small amounts.



The capital with which these societies are working consists of—

					Rs.
Share capital	...	...	...	...	108
Reserve Fund	...	...	...	...	1,018
Money borrowed from outside	...	...	...	...	16,729
Deposits of members	...	...	...	...	3,236
				<b>Total</b>	<b>21,091</b>

The following balance sheet, taken from the totals of statement No. 2, which gives the liabilities and assets of each of the societies, will show how the movement stands at present:—

LIABILITIES.				ASSETS.					
	Rs.	A.	P.		Rs.	A.	P.		
Share capital	...	108	8	0	Cash in hand	...	8,042	10	0
Reserve Fund	...	1,017	13	4	Do. in bank	...	1,715	10	5½
Deposits of members	...	3,236	2	9½	Loans outstanding	...	13,864	15	8
Borrowed capital	...	16,729	2	5½	Interest due on loans	...	1,068	13	1
Interest due on borrowed capital	...	1,394	15	3					
Balance	...	2,205	7	4½	<b>Total</b>	...	<b>24,692</b>	<b>1</b>	<b>2½</b>
<b>Total</b>	...	<b>24,692</b>	<b>1</b>	<b>2½</b>					

The societies as a whole have been worked at a profit, and it will be seen from statement I that only in six cases have the societies been worked at a loss. The aggregate of losses is less than Rs. 50, and all such losses have been caused through the capital, owing to the ignorance of the members, having been kept lying idle either in the hands of the panchaiyat or in the Post-office Savings Bank. In no case that has come to my notice has there been a loss of capital through a failure to repay a loan.

I have the honour to be,

SIR,

Your most obedient servant,

W. R. GOURLAY,

*Registrar of Coöperative Credit Societies, Bengal.*

## APPENDICES.

1. General statement.
2. Statement of assets and liabilities.
3. Diary of the Registrar, 1904-1905.
4. Instructions for starting Coöperative Credit Societies.
5. Model By-laws (Revised).
6. Note on grain banks.
7. Balance sheets of the Coöperative Credit Societies in Bengal.

Serial No.	Division.	District.	Post office.	Estate.	Village.	Name of society.	Date of foundation.	Name of Surpunch.
1	Burdwan ...	Birbhum ...	Labapur ...	Government	Kushmore ...	...	12th July 1902	Madhu Sudan Banerjee.
2	Do. ...	Do. ...	Mollarpur ...	Private ...	Fatehpur ...	...	18th May 1903	Ram Lal Mitter.
3	Do. ...	Hooghly ...	Basudebpur ...	Do. ...	Basudebpur ...	...	7th August 1903.	Upendra Nath Singha.
4	Do. ...	Midnapore ...	Ditto ...	Government	Balarampur ...	...	...	...
5	Do. ...	Ditto ...	Ditto ...	Ditto ...	Majnamutha	...	...	...
6	Do. ...	Ditto ...	Ditto ...	Ditto ...	Radhanagar ...	...	...	...
7	Do. ...	Ditto ...	Ditto ...	Ditto ...	Jakhra ...	...	...	...
8	Presidency ...	Khulna ...	Satkhira ...	Ditto ...	Labsa ...	...	13th May 1903	Sheik Keramatulla.
9	Rajshahi ...	Darjeeling ...	Kalimpong ...	Ditto ...	Kalimpong ...	...	5th February 1902.	...
10	Do. ...	Ditto ...	Ditto ...	Ditto ...	Bhalucpe ...	...	Ditto ...	...
11	Do. ...	Ditto ...	Ditto ...	Ditto ...	Eoba ...	...	Ditto ...	...
12	Do. ...	Ditto ...	Ditto ...	Ditto ...	Sindipong ...	...	Ditto ...	...
13	Do. ...	Rangpur ...	Saidpur ...	Private ...	Kaya ...	...	1st April 1902	Chicken Lal Roy.
14	Do. ...	Do. ...	Kaunia ...	Do. ...	Gokunda ...	...	...	...
15	Do. ...	Do. ...	Ulipur ...	Do. ...	Ulipur ...	...	...	...
16	Do. ...	Dinajpur ...	Lahiri ...	Do. ...	Jaunia ...	...	...	...
17	Dacca ...	Dacca ...	Jaffergunge ...	Government	Char Bachamara.	...	...	...
18	Do. ...	Backergunge	Tushkhali ...	Ditto ...	Tushkhali ...	...	11th September 1902.	Hari Nath Sen
19	Do. ...	Ditto ...	Matbaria ...	Ditto ...	Matbaria ...	...	12th September 1902.	Issar Chandra Roy.
20	Patna ...	Patna ...	Asthawan ...	Ditto ...	Chakdhi ...	...	14th January 1902.	Jehal Mahtoo
21	Do. ...	Saran ...	Chapra ...	Ditto ...	Umdha ...	...	20th January 1902.	Khobari Singh
22	Do. ...	Do. ...	Do. ...	Private ...	Telpe ...	...	...	...
23	Do. ...	Do. ...	Parsa ...	Wards ...	Parsa ...	...	19th January 1902.	Ram Prasad Tewari
24	Do. ...	Do. ...	Jalalpur ...	Do. ...	Jalalpur ...	...	16th January 1902.	Bishun Tewari
25	Do. ...	Do. ...	...	Do. ...	Karharia ...	...	...	...
26	Do. ...	Champaran ...	Patahi ...	Private ...	Madhuban ...	...	...	...
27	Do. ...	Ditto ...	Dhaka ...	Do. ...	Betowna ...	...	...	...
28	Do. ...	Ditto ...	Rottiah ...	Wards ...	Singha Chapra	...	25th February 1902.	A. Elliot

} Figures not available.

## DIX I.

## STATEMENT.

Name of chief supervisor.	Number of members.	Amount of entrance fee.	Amount of share.	Amount of least and greatest loan outstanding.	Total number of loans granted.	Total number of loans outstanding.	REMARKS. (Rate of interest charged to members.)
		Rs. A. P.	Rs. A. P.	Rs. A. P.			
Alabux Sheikh	71	0 4 0	---	{ 3 0 0 } { 20 0 0 }	37	37	9½
..	63	0 4 0	---	{ 8 0 0 } { 25 0 0 }	29	24	9½
...	80	0 2 0	---	{ 5 0 0 } { 30 0 0 }	9	9	12½
No transaction	...	...	---	...	...	...	...
Ditto	...	...	---	...	...	...	...
Ditto	...	...	---	...	...	...	...
Ditto	...	...	---	...	...	...	...
...	25	0 4 0	---	10 0 0	35	1	9
...	30	0 8 0	---	{ 12 8 0 } { 61 15 8 }	2	---	12½
...	21	0 8 0	---	{ 5 0 0 } { 28 12 8 }	...	...	12½
...	14	0 8 0	---	{ 6 4 0 } { 25 0 0 }	...	10	12½
...	13	0 8 0	---	{ 10 0 0 } { 50 0 0 }	...	9	12½
...	27	0 8 0	---	{ 12 0 0 } { 30 0 0 }	13	11	12½
No transaction	...	...	---	...	...	...	...
Ditto	...	...	---	...	...	...	...
Ditto	...	...	---	...	...	...	...
Ditto	...	...	---	...	...	...	...
...	243	0 8 0	---	{ 7 0 0 } { 10 0 0 }	177	110	12½
..	262	0 8 0	---	10 0 0	173	63	12½
...	28	...	---	...	...	---	6½
Ram Charitra Singh.	54	0 4 0	---	{ 4 0 0 } { 25 0 0 }	---	31	12½
...	...	...	---	...	...	---	---
...	107	0 4 0	---	{ 3 0 0 } { 20 0 0 }	1	43	12½
...	28	0 4 0	---	{ 5 0 0 } { 19 0 0 }	---	23	12½
...	24	0 8 0	---	{ 3 0 0 } { 25 0 0 }	4	17	12½

Serial No.	Division.	District.	Post office.	Estate.	Village.	Name of society.	Date of foundation.	Name of Surpunch.
29	Patna	Champanan	Majhowlia	Wards	Khairwatola...	...	14th May 1905	...
30	Do.	Ditto	...	Do.	Chailabar	...	April 1903	...
31	Do.	Darbhangha	Jogiara	Government	Jogiara	...	15th February 1902.	Sri Narayan Singh.
32	Do.	Ditto	Dalsing Serai	Wards	Dalsing Serai	...	17th January 1902.	S. Rahman
33	Do.	Ditto	Pusa	Government	Bakhtiarpur...	...	26th September 1902.	Ramprakash Thakur.
34	Do.	Ditto	Rohika	Private	Rohika	...	18th March 1902.	R. S. King
35	Do.	Ditto	Rampatti	Do.	Rampatti	...	20th March 1902.	Ditto
36	Do.	Muzaffarpur	Silout	Do.	Phulwaria	...	1st February 1902.	A. Christian
37	Do.	Ditto	Hardi	Do.	Hardi	...	17th April 1902	K. P. Sing
38	Bhagalpur	Malda	Panchanandpur.	Government	Panchanandpur.	...	9th February 1904.	Kuber Pathak
39	Ditto	Monghyr	Monghyr	Private	Baltara	...	25th February 1904.	Sheo Sahay
40	Ditto	Do.	Khagaria	Do.	Amosi	...	3rd March 1904.	...
41	Ditto	Do.	Bakhtiarpur...	Do.	Bakhtiarpur (of Monghyr.)	...	1st August 1904.	Azizul Haq
42	Ditto	Do.	Saraya	Do.	Chowthan	...	1st June 1904	...
43	Ditto	Furnea	Furnea	Do.	Nandanpur	...	20th April 1904	Rev. L. Knockaert.
44	Ditto	Do.	...	Do.	Maranga	...	1st July 1904	J. D. Sing
45	Ditto	Sonthal Parganas.	Dumka	Wards	Gando	...	May 1902	...
46	Ditto	Ditto	Do.	Do.	Dighi	...	Ditto	...
47	Ditto	Ditto	Do.	Do.	Satgawan	...	Ditto	...
48	Ditto	Ditto	Do.	Do.	Kushpahari	...	Ditto	...
49	Ditto	Ditto	Do.	Do.	Kadma	...	Ditto	...
50	Ditto	Ditto	Do.	Do.	Dhakajole	...	Ditto	...
51	Orissa	Balasore	Romuna	Private	Nuaparhi	...	3rd January 1902.	Uday Nath Das.
52	Do.	Do.	Balasore	Do.	Sargan	...	15th September 1902.	Nimai Ch. Ghosh.
53	Do.	Do.	Dalsahi	Government	Orora	...	13th December 1902.	Chintamoni Das.

Name of chief supervisor.	Number of members.	Amount of entrance fee.	Amount of share.	Amount of least and greatest loan outstanding.	Total number of loans granted.	Total number of loans outstanding.	REMARKS. (Rate of interest charged to members.)
		Rs. A. P.	Rs. A. P.	Rs. A. P.			
...	11		...	{ 5 0 0 } { 101 0 0 }	11	11	12½
...	14	0 8 0	...	{ 8 0 0 } { 24 0 0 }	14	14	12½
...	59	0 4 0	...	{ 4 0 0 } { 19 0 0 }	23	23	12½
...	122	0 4 0	...	NIL ...	78	...	15½
...	48	0 4 0	...	{ 6 0 0 } { 20 0 0 }	...	5	12½
...	90	0 8 0	...	{ 5 0 0 } { 20 0 0 }	42	42	12½
...	98	0 8 0	...	{ 2 0 0 } { 20 0 0 }	54	54	12½
...	72	NIL ...	...	{ 0 4 0 } { 53 0 0 }	72	38	10½
...	60	...	...	47 0 0	65	1	12½
...	93	0 4 0	...	{ 6 4 0 } { 25 0 0 }	37	28	9½
...	40	0 4 0	...	{ 1 0 0 } { 5 0 0 }	5	5	12½
...	10	0 4 0	...	{ 5 0 0 } { 50 0 0 }	11	11	12½
Gunarat Hos- sain.	143	...	...	{ 5 0 0 } { 25 0 0 }	31	28	12½
...	22	...	...	{ 7 0 0 } { 101 0 0 }	12	13	12½
...	19	...	...	{ 1 0 0 } { 27 0 0 }	...	...	12½
...	20	0 4 0	5 0 0	{ 4 0 0 } { 25 0 0 }	7	8	12½
...	226	0 2 0	...	...	148	...	12½
...	161	0 2 0	...	...	93	...	12½
...	200	0 2 0	...	...	86	...	12½
...	61	0 2 0	...	...	54	...	12½
...	112	0 2 0	...	...	93	...	12½
...	67	0 2 0	...	...	30	...	12½
...	106	0 4 0	...	{ 8 0 0 } { 20 0 0 }	97	96	12½
Sambhu Nath Mahanti.	93	0 4 0	...	...	4	...	12½
Bhagwat B. Sabu.	56	0 4 0	...	{ 4 0 0 } { 23 0 0 }	44	41	12½

Serial No.	Division.	District.	Post office.	Estate.	Village.	Name of society.	Date of foundation.	Name of Surpurch.
54	Orissa ...	Cuttack ...	Banki ...	Government	Subarnapur ...	...	27th May 1903	Madan Mohan Patnaik.
55	Do. ...	Do. ...	Do. ...	Ditto ..	Charchika ..	...	20th May 1903	Madhu Biswal
56	Do. ...	Do. ...	Badiasore ...	Ditto ..	Barput ...	...	Ditto ...	Madan Mohan Patnaik.
57	Do. ...	Puri ...	Khurda ...	Ditto ..	Tarabhoi ...	...	23rd May 1903	Sridhar Patnaik.
58	Do. ...	Do. ...	Balugaon ...	Ditto ..	Balugaon ...	...	...	Chakrapani Patnaik.
59	Do. ...	Do. ...	Bolgarh ...	Ditto ..	Bolgarh ...	...	20th June 1904	Dayanidhi Patnaik.
60	Do. ...	Do. ...	Nimapara ...	Ditto ..	Nimapara ...	...	26th December 1902.	Jagannath Misra.
61	Chota Nagpur	Ranchi ...	Ranchi ...	Ditto ..	Chenny ...	...	8th March 1902	Saroda Kumar Aikat.
62	Ditto ...	Do. ...	Do. ...	Ditto ...	Loopbongotoli	...	3rd April 1902	Ditto ...
63	Ditto ...	Do. ...	Do. ...	Ditto ...	Rampur ...	...	31st May 1902	Ditto ...
64	Ditto ...	Do. ...	Do. ...	Ditto ...	Sidrol ...	...	16th January 1902.	Punai Singh
65	Ditto ...	Hazaribagh ...	Hazaribagh ...	Ditto ...	Hoorhocroo ...	...	17th July 1902	...
66	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Matwari ...	...	Ditto ...	...
67	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Korra ...	...	19th July 1902	...

Name of chief supervisor.	Number of members.	Amount of entrance fee.	Amount of share.	Amount of least and greatest loan outstanding.	Total number of loans.	Total number of loans outstanding.	REMARKS. (Rate of interest charged to members.)
		Rs. A. P.	Rs. A. P.	Rs. A. P.			
...	102	0 8 0	...	{ 2 8 0 } { 20 0 0 }	19	67	12½
Chowdhury Mahapatra.	116	0 8 0	...	{ 2 0 0 } { 20 0 0 }	70	69	12½
Moheswar Panda.	66	0 8 0	...	{ 5 0 0 } { 20 0 0 }	53	44	12½
...	52	0 8 0	...	{ 3 0 0 } { 10 0 0 }	52	53	12½
Kashi Nath Sasmal.	91	...	...	{ 4 0 0 } { 10 0 0 }	91	15	12½
...	62	...	...	{ 4 0 0 } { 10 0 0 }	62	62	12½
Abani Nath...	101	0 4 0	...	{ 5 0 0 } { 30 0 0 }	142	139	12½
...	23	0 4 0	...	{ 2 0 0 } { 20 0 0 }	...	18	12½
...	12	0 4 0	...	{ 2 0 0 } { 20 0 0 }	Nil	8	12½
...	23	0 4 0	...	{ 0 5 0 } { 14 0 0 }	1	56	12½
...	25	0 4 0	...	{ 3 0 0 } { 20 0 0 }	13	18	12½
...	52	0 8 0	...	{ 2 0 0 } { 8 0 0 }	...	...	12½
...	27	0 8 0	...	{ 5 0 0 } { 24 0 0 }	15	42	12½
...	59	0 8 0	...	{ 2 0 0 } { 5 0 0 }	...	...	12½
Total	8,910	...	...	...	2,136	1,405	...

W. R. GOURLAY,

Registrar of Coöperative Credit Societies, Bengal.



## STATEMENT OF ASSETS

Number.	NAME OF SOCIETY.	LIABILITIES.						
		Share capital paid up.	Reserve Fund.	Deposits of members.	Fixed deposits over 3 months.	Other borrowed capital.	{Amount carried forward.	
			Rs. A. P.	Rs. A. P.		Rs. A. P.		
1	Kushmore ...	...	18 0 0	9 4 0	...	400 0 0	...	
2	Fatehpur ...	...	15 12 0	344 4 0	...	...	...	
3	Bansdebpur ...	...	10 0 0	159 5 9	...	200 0 0	...	
4	Balarampur ...	...		No transaction.				
5	Majnamutha ...	...		Ditto.				
6	Radhanagar ...	...		Ditto.				
7	Jakhra ...	...		Ditto.				
8	Labsa ...	...	8 12 0	...	...	500 0 0	...	
9	Kalimpong ...	...	15 0 0	...	...	200 0 0	...	
10	Bhalucope ...	...	10 8 0	2 11 4	...	150 0 0	...	
11	Echa ...	...	7 0 0	...	...	150 0 0	...	
12	Sindipong ...	...	6 8 0	...	...	100 0 0	...	
13	Kaya ...	...	13 8 0	...	...	200 0 0	...	
14	Gokunda ...	...		No transaction.				
15	Ulipore ...	...		Ditto.				
16	Jaunia ...	...		Ditto.				
17	Char Bachamara ...	...		Ditto.				
18	Tushkhal ...	...	124 0 0	35 0 0	...	1,500 0 0	...	
19	Matbaria ...	...	131 0 0	20 0 0	...	1,500 0 0	...	
20	Chakdhi ...	...	0 8 0	8 0 0	...	...	...	
21	Umdha ...	...	13 8 0	...	...	700 0 0	...	
22	Telpa ...	...	...	...	...	...	...	
23	Parse ...	...	26 12 0	...	...	...	...	
24	Jalalpore ...	...	9 0 0	...	...	800 0 0	...	
25	Karharia ...	...		...	...	400 0 0	...	
26	Madhuban ...	...	} Figures not available.					
27	Detowna ...	...						
28	Singa Chapra ...	...	12 0 0	...	...	250 0 0	...	
29	Khairwatolla ...	...	...	11 0 0	...	200 0 0	...	
30	Challabar ...	...	7 0 0	...	...	200 0 0	...	
31	Jogiara ...	...	14 12 0	100 0 0	...	150 0 0	...	
32	Dalsingserai ...	...	30 8 0	...	...	} 310 0 0	...	
33	Daktarpore ...	...	12 0 0	27 0 0	...		0 1 3½	...
34	Rohika ...	...	30 0 0	...	...	200 0 0	...	
						520 0 0	...	

## DIX II.

## AND LIABILITIES.

		ASSETS.					Balance (plus or minus).
Interest due to creditors.	Total liabilities.	Cash in hand.	Cash in bank.	Loans due by members.	Interest on loans.	Total assets.	
Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
25 12 9	453 0 9	110 15 11	{ 19 0 9 } { 0 7 9 }	345 0 0	17 8 10	493 1 3	40 0 6
16 13 9	376 13 9	64 7 9	...	327 7 6	4 7 3	396 6 6	19 3 9
28 5 4	397 11 1	...	11 4 3	372 8 0	41 2 4	424 14 7	27 3 6
No transaction.							
Ditto.							
Ditto.							
Ditto.							
31 4 0	540 0 0	516 7 10	...	10 0 0	0 11 9	527 3 7	12 12 5
34 7 4	249 7 4	...	{ 15 0 0 } { 0 6 0 }	226 12 6	21 15 4	264 1 10	14 10 6
27 1 4	190 4 8	...	{ 10 8 0 } { 0 3 0 }	204 11 3	...	215 6 3	35 1 7
27 1 4	184 1 4	...	{ 7 0 0 } { 0 3 0 }	185 10 0	26 5 6	219 2 6	35 1 2
19 12 8	126 4 8	...	{ 6 8 0 } { 0 2 9 }	127 12 6	17 9 11	152 1 2	25 12 6
37 8 0	251 0 0	2 6 0	13 9 6	242 12 0	16 8 2	275 3 8	24 3 8
No transaction.							
Ditto.							
Ditto.							
Ditto.							
96 6 6	1,755 6 6	616 5 0	...	1,190 0 0	68 4 0	1,874 9 0	119 2 6
56 6 6	1,707 6 6	1,156 5 0	...	630 0 0	39 6 0	1,825 11 0	118 5 6
5 13 0	14 5 0	24 12 9	...	...	...	24 12 9	10 7 9
47 3 8	760 11 8	...	433 1 6	418 8 0	25 9 11	675 3 5	114 7 9
...	...	...	...	...	...	...	...
54 10 0	881 6 8	321 15 6	...	555 7 0	109 8 6	986 15 0	105 8 4
39 5 4	443 5 4	48 0 11	...	333 0 0	94 1 4	523 2 3	76 12 11
No transaction.							
Ditto.							
Ditto.							
Ditto.							
3 7 4	265 7 4	31 4 0	...	264 4 0	25 1 0	330 9 0	65 1 5
7 5 0	218 5 0	12 15 6	11 0 0	200 0 0	4 2 8	222 2 2	10 12 2
26 2 0	233 2 0	13 1 0	7 4 0	209 6 0	6 12 0	236 7 0	3 5 0
33 5 3	293 1 3	0 1 3	...	301 1 0	19 11 4	321 8 7	23 7 4
61 6 6	401 15 9½	...	406 13 7½	...	...	406 13 7½	64 13 10
34 8 6	273 8 6	...	229 2 0	66 0 0	13 10 3	313 12 3	40 2 9
32 8 0	532 8 0	15 12 1½	30 14 3	516 0 0	43 2 10	605 12 2½	23 5 2½

Number.	NAME OF SOCIETY.	LIABILITIES.					
		Share capital paid up.	Reserve Fund.	Deposits of members.	Fixed deposits over 3 months.	Other borrowed capital.	Amount carried forward.
			Rs. A. P.	Rs. A. P.		Rs. A. P.	
35	Rampatti ... ..	...	81 8 0	100 0 0	...	500 0 0	...
36	Phulwaria ... ..	...	85 13 4	92 14 8	...	45 7 11	...
37	Hardi ... ..	...	..	12 7 6	...	629 15 3	...
38	Panchanandpur ... ..	...	23 4 0	...	...	500 0 0	...
39	Baltara ... ..	...	10 0 0	200 0 0	...	...	...
40	Amosi ... ..	...	2 8 0	...	...	200 0 0	...
41	Baktiarpur (of Monghyr)	...	...	1,112 6 0	...	...	...
42	Chowtham ... ..	...	...	330 8 0	...	...	...
43	Nandanpur ... ..	...	...	...	...	400 0 0	...
44	Maranga ... ..	108 8 0	5 0 0	...	...	63 0 0	...
45	Gando ... ..	...	27 6 0	...	...	300 0 0	...
46	Dighi ... ..	...	20 2 0	...	...	250 0 0	...
47	Satgawan ... ..	...	25 0 0	...	...	250 0 0	...
48	Kushpahari ... ..	...	7 10 0	...	...	200 0 0	...
49	Kadma ... ..	...	14 0 0	...	...	300 0 0	...
50	Dhakajole ... ..	...	8 6 0	...	...	200 0 0	...
51	Nunparhi ... ..	...	26 8 0	114 0 0	...	250 0 0	...
52	Sargan ... ..	...	24 8 0	14 11 6½	...	...	...
53	Orora ... ..	...	14 0 0	...	...	300 0 0	...
54	Subarnapur ... ..	...	51 0 0	1 0 0	...	300 0 0	...
55	Charchika ... ..	...	58 0 0	150 0 0	...	300 0 0	...
56	Barpat ... ..	...	33 0 0	...	...	400 0 0	...
57	Tarabhai ... ..	...	24 12 0	...	...	250 0 0	...
58	Balugaon ... ..	...	...	...	...	499 0 0	...
59	Dolgarh ... ..	...	...	...	...	500 0 0	...
60	Nimpara ... ..	...	25 4 0	391 10 0	...	500 0 0	...
61	Chenny ... ..	...	5 12 0	...	...	180 0 0	...
62	Loopoongtooli ... ..	...	3 0 0	...	...	120 0 0	...
63	Rampur ... ..	...	5 12 0	...	...	156 10 0	...
64	Sidrole ... ..	...	6 4 0	...	...	200 0 0	...
65	Hoorhooroo ... ..	...	...	...	...	...	...
66	Matwari ... ..	...	13 8 0	...	...	305 0 0	...
67	Korra ... ..	...	...	...	...	...	...
	Total ... ..	108 8 0	1,017 13 4	3,236 2 9½	...	16,729 2 4½	...

		ASSETS.					Balance (plus or minus).
Interest due to creditors.	Total liabilities.	Cash in hand.	Cash in bank.	Loans due by members.	Interest on loans.	Total assets.	
Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
50 0 0	681 8 0	1 11 0	31 1 6	633 0 0	17 11 11	723 8 5	42 0 5
5 8 10	179 7 9	158 14 9	...	94 13 1	...	253 11 10	74 4 1
68 5 0	710 11 9	786 14 9	...	47 0 0	4 5 3	839 4 0	127 8 3
36 7 4	559 11 4	23 4 0	...	500 0 0	25 1 6	543 5 6	11 5 10
9 0 0	219 0 0	198 0 0	...	12 0 0	1 2 0	211 2 0	7 14 0
19 8 0	222 0 0	7 8 0	...	195 0 0	14 13 8	217 5 6	4 10 6
25 13 4	1,138 8 4	712 4 9	...	404 4 0	82 2 6	1,148 11 3	10 7 11
11 6 10	841 14 10	63 8 0	...	267 0 0	4 6 10	834 14 10	7 0 0
...	409 0 0	17 10 0	...	382 6 0	31 14 4	431 14 4	31 14 4
...	176 8 0	0 7 9½	...	170 0 0	8 0 7½	178 8 5	2 0 5
18 12 0	346 2 0	441 5 6	...	...	...	441 5 6	65 3 6
15 10 0	285 12 0	351 3 9	...	...	...	351 3 9	63 7 9
15 10 0	290 10 0	350 11 9	...	...	...	350 11 9	60 1 9
12 8 0	220 2 0	231 13 3	...	...	...	231 13 3	61 11 3
18 12 0	322 12 0	418 12 0	...	...	...	418 12 0	86 0 0
12 8 0	220 14 0	293 1 0	...	...	...	293 1 0	62 3 0
26 7 5	416 15 5	221 0 1	26 8 0	212 0 0	18 6 3	477 14 3	60 14 10
0 13 0	40 0 6½	17 6 5	36 2 0	...	...	53 8 5	13 7 10½
19 5 2	333 5 2	43 15 4	...	303 14 4	19 12 5	372 10 1	39 4 11
17 4 4	369 4 4	0 0 4½	0 8 0	382 8 0	15 9 10	398 10 2½	29 5 10½
29 7 7	537 7 7	5 15 11	81 12 0	443 0 0	25 0 10	555 12 9	18 5 3
22 14 8	455 14 8	...	53 0 0	400 0 0	41 10 8	499 10 8	43 12 0
32 8 0	307 4 0	1 8 0	...	297 0 0	7 8 0	305 11 0	1 9 0
31 8 0	530 8 0	460 11 0	...	83 0 0	17 11 0	561 6 0	31 3 0
26 0 8	526 0 8	40 0 0	...	460 0 0	44 7 6	544 7 6	13 6 10
99 8 3	1,016 1 3	191 4 0½	...	819 0 0	88 5 3½	1,008 9 4	83 3 1
...	185 12 0	...	72 5 7	123 3 0	...	193 8 7	9 12 7
...	123 0 0	...	40 4 3	63 4 0	...	103 8 3	19 7 3
...	162 6 0	0 0 6	64 0 0	197 12 6	...	261 12 0	92 7 0
...	206 4 0	...	{ 42 5 6 } 0 3 3	200 0 0	...	242 8 9	36 4 9
...	...	...	...	...	...	...	...
...	...	...	...	400 0 0	...	423 0 6	60 15 5
23 9 1	342 1 1	23 0 6	...	...	...	...	...
...	...	...	...	...	...	...	...
1,394 15 8	22,486 9 10	8,042 10 0	1,715 10 5½	13,864 15 8	1,063 13 1	24,602 1 2½	2,203 7 4½

W. R. GOURLAY,

Registrar of Coöperative Credit Societies, Bengal.

## APPENDIX III

*Diary of the Registrar of Co-operative Credit Societies, Bengal, 1904-1905.*

November 11.—Left Darjeeling at 12-35 p. m. and arrived at Purnea on the following day at noon.

On my way I met Father Bodson of the Jesuit Mission in Darjeeling. He was somewhat interested in the subject of co-operative credit, and gave me the names of three villages near Darjeeling in which he thought that the movement would be appreciated. His plan was to establish a school in each of these villages and at the same time to set up a Raiffeisen Bank which the school-master would be able to manage. Unfortunately, the father seems to have been somewhat tactless in his dealings with the local authorities, and appears to have been turned out of a village in the Lepcha country for building without the permission of the Deputy Commissioner.

November 12.—Called on the R. C. Priest Father Knockaert and conversed with him concerning the progress made by the societies which he had attempted to found. I arranged to inspect the work of the Christian Society on the following day. The Father is interested in the co-operative movement, but his whole object in setting up the societies in the villages is to give himself some standing from which to preach the tenets of his faith. The plan is to start a society in each village in which there is a school, and the Secretary of the Society will be the catechist in charge of the school. At present there are three schools, one at Purnea, one at Lilaichoni (a suburb of Purnea), and the third at Basgara in Dhamdaha thana. He hopes to establish schools at Kagheli, Nandanpur and Bahwanipur. The Father was of opinion that the planters of Purnea would oppose the movement, as they held the raiyats in their power through the system of advances made to grow indigo. If the societies succeed, the planter will lose the hold over his labour which is so necessary wherever indigo is grown on the *khushki* system.

The aboriginal tribes from Sontalia and Chota Nagpur come to Purnea in search of work and of land, and it is amongst these people that the Mission does most of its work. Some hundred families from the Munda country settled in Dinajpur last year, and this year they have come into the Purnea district, and Father Knockaert is anxious to establish a credit bank amongst them to obtain money to purchase cattle to work the new lands.

The Central Bank at Purnea has promised to advance a sum of Rs. 200 to a society started on co-operative lines among these families, and Father Knockaert has accepted the offer.

The *Mission School Society* is at present in working order. Monies have been advanced to this society from two sources, from the Mission funds and from the Purnea Central Bank. The Father does all the Secretary's work of the bank, and he has attempted to keep the accounts of the monies lent from each source separate. This has led to much confusion. The members borrowing from the Rs. 100 lent by the Central Bank and those borrowing from the Rs. 200 lent by the Mission are the same, and there is really only one society; there should therefore be only one set of accounts.

The books kept are as follows:—

*General Cash-Book.*—Columns for date, head of expenditure, amount, and on debit side, date, head of receipt, principal amount, interest amount.

The ledger commences with an index as the cash-book commences with a list of the members of the society. The headings are: date, description of loan, amount lent, and on the other side, *e.g.*, date, description of repayment, amount (divided into principal and interest).

*Interest book.*—Heading: (January), amount due in pice, amount due in rupees, amount paid, date of payment; (February), the same headings, and so on for each month.

The bank commenced operations in October in 1902, and apparently there has been no clearing up of accounts since then. There are at present 15 members, all I understand people connected directly with the Mission. In only two instances had the original deposits been repaid. The sums lent varied from Rs. 5 to Rs. 40. The total amount of interest due was Rs. 35-12-3. It was not possible to find out from the books how much of this had been paid. No payment of interest had been made to the Central Bank. The amount due is Rs. 12-8. If it be supposed that the whole of the interest due is paid, the profit on the working of the bank would amount to Rs. 23-14-3. Before any progress could be made, it would be necessary to rewrite the books and clear up the accounts. I attempted to draw up a balance sheet, but was confronted with the difficulty that the whole of the profit accruing from the Rs. 200 lent by the Mission was credited to the Mission, and none to the society. So far as the Rs. 100 lent by the Central Bank was concerned, the balance sheet was as follows:—

<i>Liabilities.</i>			<i>Assets.</i>		
	Rs.	A.		Rs.	A. P.
To Central Bank	...	100 0	Loans outstanding	...	93 0 0
Interest due on above	...	12 8	Interest on above	...	37 12 3
Deposits	...	6 0	Cash in hand		
Interest due on above 6½ per cent.	...	6 0			

As the Father could not tell me the amount of cash in hand and I could not find out from the books what it ought to be, it was impossible to complete the balance sheet.

There is a committee of three, but it seldom meets, and the Father gives out the loans and collects the money as he thinks right himself. There are no rules, either printed or written. There is no minute book. Such a society as this cannot be called a Co-operative Credit Society, but it may serve as a basis on which to build.

*November 15.*—This morning Babu Jogendra Nath Mukerjee and a young man known as Jotis Babu called to explain to me the principles on which they had been trying to establish a Central Bank in Purnea. Their object was to encourage the establishment of Co-operative Credit Societies, but so far they had failed, because the members whom they had hoped would assist them in the villages were themselves small money-lenders who saw that the scheme would interfere with their own profits. It was arranged that I should visit the Central Bank in the afternoon.

The *Central Bank of Purnea* was founded under the Companies' Act on 31st March 1902. It commenced business on April 1st of the same year. Its objects are the formation of Co-operative Credit Societies lending money at interest, taking deposits and lending grain, and the provision of credit for its members. I give extracts from the annual report for 1903.

### PURNEA CENTRAL BANK.

#### *Report on the 31st March 1903.*

Constitution : Rule 28. Constituted 31st March 1902: commenced working from May 1902.

Meetings of Directors : 18 in number, quorum at 14. Business: disposal of loan petitions, 5 members forfeited their instalments through default: in such case the money paid was credited to Profit and Loss, and the share was cancelled. Those of the 5 who had loans were treated as outsiders.

Shares: 320 shares out of 500 were taken up on the first day.

Capital should be raised to Rs. 10,000.

Members: Out of 140, 12 lawyers, 1 medical man, 10 merchants and 106 ministerial officers, etc., and 1 zamindar.

General meetings: one ordinary and one extraordinary, attendance, ordinary, 64.

Rates of interest determined: 10 per cent. of profits to go to Secretary, Assistant Secretary, and staff.

Finance: cash balance Rs. 277-6-2. Total receipts Rs. 16,553-1-11 and expenditure Rs. 16,275-11-9. Net profit Rs. 251-7-1. One quarter, viz., Rs. 62-13-6 to reserve funds 10 per cent. viz. Rs. 25-2-3 and seven-tenths to bonus. Initial expenses were heavy, especially registration.

Loans: 80 in number; 50 members and 30 outsiders. Two cases landed security and in the rest personal security.

Deposits: fixed Rs. 5,235, current Rs. 1,804. No interest paid on current deposits which were not used in the ordinary work of the bank.

Law suits: none.

Renewals: one for six months.

Books: 15 in number.

Audit: only once, not quarterly—*vide* Rule 47.

Co-operative Credit Societies: a Committee to educate the people constituted; opposition of money-lenders; Rs. 100 could be advanced to the Mission Bank.

Merits of officers:

Government help: sympathy of Mr. O'Brien.

Inspection by Babu J. N. Gupta, the Treasury Officer, on 22nd July 1902.

General remarks: "progress marvellous."

#### ANNUAL REPORT FOR 1903-1904.

Constitution: retiring members of Board re-elected.

Meetings: 11: often want of quorum: reduce to 4 in place of 5, and further to 3.

Shares: demand great: increase by Rs. 5,000; as the servants are being paid, it is necessary to have more business.

Members: less keenness.

General meetings: 3; desire to alter financial year; bonus Rs. 100 to employees; whole profits to reserve; no dividend.

Loans: one, pledge of ornaments, all the rest personal.

Law suits: none.

Renewals: in some cases.

Books kept: no change.

Audit: not completed.

Deposits: fixed 1,830, current 305.

Finance: cash balance Rs. 372-12-4, receipts for the year Rs. 9,063-6-8, expenditure Rs. 8,973-0-6. Profit Rs. 516-6-1: one quarter to reserve fund, bonus to Secretary, Assistant Secretary, and clerk Rs. 125, dividend 5 per cent.

Merits of officers: Treasurer now gets Rs. 10 per mensem; it is necessary to employ a paid clerk in addition.

Co-operative Credit Societies: practical difficulties, but Father Knockaert has got one society with Rs. 100 from the bank.

Government help: the draft bill was altered so as to include a bank like the present; desire for registration under the Act.

General remarks: appeal to the members for assistance, as the bank has excellent prospects.

## BALANCE SHEET.

		Rs.	A.	P.			Rs.	A.	P.
Capital shares ...	...	4,933	0	0	Loans to members ...	...	8,259	4	1
Current deposits ...	...	839	0	0	Cash balance ...	...	377	6	2
Fixed deposits, 3 months ...	...	1,600	0	0					
Ditto, 6 months ...	...	912	0	0					
Profit and loss ...	...	251	7	1					
Sale of pass-books ...	...	1	4	0					
<b>Total</b> ...	...	<b>8,536</b>	<b>11</b>	<b>1</b>					

*Profit and Loss account.*

Fees on loan applications, Rule 13, Part II ...	...	40	7	0	Interest ...	...	17	4	0
Entrance fees ...	...	146	0	0	Seal for the Bank ...	...	8	10	0
Ditto of expelled members ...	...	9	0	0	Signboard ...	...	2	8	0
Sale of rules ...	...	1	13	6	Cost of registration ...	...	101	7	6
Fines ...	...	11	0	0	Miscellaneous printing, etc. ...	...	101	14	3
Forfeited instalments ...	...	12	0	0					
Interest account ...	...	262	14	4					
<b>Total</b> ...	...	<b>483</b>	<b>2</b>	<b>10</b>					
Balance, being profit ...	...	251	7	1	<b>Total</b> ...	...	<b>231</b>	<b>11</b>	<b>9</b>

*Maranga Village Society*: 20 members and 24 shares. Liability: unlimited: shares Rs. 5, payable annas 8 monthly. Borrowed Rs. 100 from Central Bank.

*Liabilities.**Assets.*

		Rs.	A.	P.			Rs.	A.	P.
Entrance fees ...	...	5	0	0	Loans to members ...	...	110	0	0
Shares paid up ...	...	48	0	0	Interest due 4 months ...	...	4	9	4
Loan from Central Bank ...	...	100	0	0	Balance in hand ...	...	43	0	0
Interest due 4 months ...	...	2	1	4					
Balance ...	...	2	8	0					
		<b>157</b>	<b>9</b>	<b>4</b>			<b>157</b>	<b>9</b>	<b>4</b>

In Calcutta I had an interview with Mr. Hamilton. I was able to explain to him the necessity for working slowly, and promised to return and tell him the results of my tour. I also had an interview with Mr. B. D. Pal Chowdhury. He was much interested in many things, and we discussed many points together. I promised to visit Nadia as soon as possible, and sent Mr. Pal Chowdhury some books to read.

2. On the 19th November I left Calcutta, and arrived at the camp of the Commissioner of Patna Division on the 20th. On the 21st the Lieutenant-Governor and staff arrived, and on the 22nd, 23rd and 24th I attended the meeting at Sonapur. I saw the Maharaja of Darbhanga and discussed matters with him; he promised assistance. I also had a talk with Mr. Summers, his Manager, at Pandaul. Mr. Charles Macdonald of Daulatpur promised assistance. I went over to Hajipur and there saw Mr. Geake and Mr. Christian. The latter has a scheme of his own which he explained to me. He had not worked out details. This I asked him to do, and agreed to meet him again in Muzaffarpur on the 3rd. I saw also Mr. Donham-Carter, Mr. Heycock, Mr. Goode, and Mr. Swan.

I left Sonapur on the 28th and travelled to Chapra where I put up with the Collector. I went out to Umdah where I saw a society upon which I have noted elsewhere. I found that the other two banks were at a considerable distance from the Sadar, and there was no ready means of reaching them, as the people had only just returned from the fair. I therefore considered it best to push on to Gopalganj where Mr. Russell and Mr. Swan were anxious to start a society. On the way I met one Janki Prasad, a considerable zamindar of the subdivision, a member of the Local Board. He was interested and promised his assistance.

I agreed to meet him on my return and meanwhile to send him some literature to interest him on the subject. The subject was not one he had ever heard of before.

I arrived at Gopalganj in the evening.

Mr. Harry Russell came over to dinner, and I discussed the prospects of opening a bank in the village of Karharia, near the indigo factory. Mr. Russell was willing to assist us and to see that the bank kept on right lines, once it was started. Mr. Swan had already approached the Manager of the Hatwa Raj concerning the advance of funds to the bank.

*Umdah Society.*—I visited this bank and conversed with the people. They understood the principles, but the bank is managed in great part by Ganga Prasad, the tahaldar of the Government estates in the district, on Rs. 25 per month. There are at present 42 members.

On 21st December 1901, the bank was started and the minute book reads "we have joined together for the purpose of forming a bank, and we appoint Khobari Singh (village punch), Sir Punch Ekbal Singh, Benga Singh, Naujadik Singh, Bujhawan Singh, and Ganga Prasad Singh—Committee,"

Supervisor Ram Charitar Singh, Bujhawan Lall, and Ram Subhak Singh (Ram Subhak Singh is a literate man and can write).

This year the members did not pay their loans. The crops were possibly bad, but they might quite well have paid up some of the money, as there was really no question of scarcity. The result is that the village has lost a year in the way of saving. The people got loans on condition that they did a certain thing with their money. There is no objection to the money being granted to the same people, but they must buy something else; otherwise the money is lost for the year, the mere paying of interest on the money does not assist the village.

The rules used in this bank are Mr. Dupernex's.

There is a desire to increase the amount to Rs. 1,000. This can be done when I come back again.

I have made out both a balance sheet to date and the statement of receipts and expenditure from 1st June 1904 to 30th November 1904. The bank meets only four times a year, and it has not been the custom to draw up a balance sheet in prescribed form. It is better that this should be done in future. The meetings too had better be held once a month. There may not be much business, but the people can at least check the various loans; and, if any man does pay in, a new loan can be granted. I do not want these meetings to be "Distribution of loans." The people must learn to take an active interest in the thing and to learn that the bank is a living thing and not a quarterly distribution of money. The tahaldar can thus teach them to manage for themselves.

The forms used are those prescribed, but the ledger has not been opened.

*1st June 1903 to 30th November 1904.*

	Rs.	A.	P.		Rs.	A.	P.
Cash in hand, 1st June ...	81	6	0	Loans	.....		
Balance in bank ...	0	12	3	Interest to Government,			
Savings Bank interest ...	4	7	3	9th June 1904	77	4	0
Interest realized ...	.....			In bank	9	5	6
Loans repaid ...	.....						
Miscellaneous ...	.....						
<b>Total</b> ...	<b>86</b>	<b>9</b>	<b>6</b>	<b>Total</b> ...	<b>86</b>	<b>9</b>	<b>6</b>

Cash in hand ...	.....			Deposits from Government ...	700	0	0
Money in Post Office Savings Bank, 8th June 1904 ...	9	5	6	Interest due, 1st June to 30th November, at 6½ per cent.	18	3	8
Loans outstanding ...	783	0	0	Balance	128	6	4
Interest due (all interest paid up to 31st May 1904, no interest paid since) at 2 per cent. ...	40	12	6				
Stock (none) ...	.....						
Reserve fund ...	13	8	0				
<b>Total</b> ...	<b>846</b>	<b>10</b>	<b>0</b>	<b>Total</b> ...	<b>848</b>	<b>10</b>	<b>0</b>



1st December.—After early breakfast Mr. Swan and I went over to Mr. Russell's bungalow, and we found that Mr. Russell had already paved the way by explaining the principles of the scheme to the raiyats. They had many interested questions to ask, and I talked with them till I was confident that they understood. Then those who were present chose out a *punch*, and I sent them all away to discuss matters for half an hour amongst themselves. This they did, and after half an hour they had more questions to ask. Some of the questions clearly showed how they were inclined to regard the matter. The first was as to whether the scheme was to be for their village only, and, if so, why it was not to be extended to other villages. The idea was new to them and they were suspicious. The next question was whether red-turbaned peons would trouble them, and whether they would have to go to Chapra often in connection with the society. I assured them on these points. Then they wanted to know how much each would be allowed to borrow. It was long before they realized that the *punch* was to manage the affairs of the bank without any interference from outside so long as they followed general rules laid down for their guidance. Finally, they said they would go to their village and discuss the matter, and come back with a list of those who would join. In the evening the *punch* turned up with a list of names. From this list three names had been cut out, and on enquiry I learned that the *punch* had not been unanimous about these men, and so they thought it would be best to cut their names out. Then we discussed the form of accounts which the *punch* would keep, and the five men in front of me wrote out a form of *jamakerch* and of *khatabohi* which they understood and which will be sufficient to record the facts of the transactions. In this form the books may be a little more difficult to check, but the aim is not simplicity of check. It is much better that the *punch* should be allowed to keep accounts after their own method than that they should be frightened by a multiplicity of columns prepared with a view to audit. I wrote to Mr. Ogilvy and asked him to let the bank have Rs. 500 at 6½ per cent., if possible. I did not recommend that the money should be given on the terms of the resolution, free of interest for three years. Such a course would only have made the *baniyas* more suspicious, and I had already carefully explained to them that this was business and not philanthropy. If the Raj so desires the interest may be left in the bank to accumulate. But in the end I would have the societies pay the full interest, and would show the full interest in the transactions, so that the raiyats may realize that it has to be paid back some time. I promised to return to the subdivision late in January to set the bank agoing.

At the same time I arranged with Mr. Swan to visit the village of Banpati with a view to forming a new society there. For this new society an advance from Mr. Hamilton's Fund will be necessary, as there is no one near to finance it.

2nd December.—Next morning I rode on to Bettiah, where I put up with the Manager of the Bettiah Raj, Mr. J. R. Lewis. I held a meeting of the local bar and some other influential people in the subdivision in the Magistrate's office, and then left for Muzaffarpur where I had to meet Mr. Levinge on the 4th.

4th December.—I put up with Mr. Levinge, and early this morning Mr. Christian accompanied us to one of his villages at a distance of some seven miles.

Mr. Christian has expressed much interest in the movement and a great desire to assist the Government in their endeavour to establish coöperative credit societies. With this object in view he started operations in some four villages, more or less near together, in which he was well known to the cultivators in his double capacity of Opium Agent and accredited agent of the landlord, who, I understand is, his brother-in-law Mr. Gregory. Mr. Gregory advanced the capital amounting to Rs. 1,000.

Mr. Christian's scheme is as follows: A financier lends money to a body of *raiya*t>s belonging to a village on their joint security; it is intended that the *raiya*t>s should sign a bond making themselves jointly and severally responsible for any money lent to any of their number. No new additions are allowed to the number without the consent of those already in the body. The conditions on which the money is lent are that the borrower should pay to the financier 12½ per cent., and into a deposit fund 6½ per cent.; the interest is thus in all 18½ per cent. The 6½ per cent. deposited with the financier is to be credited to a fund which is to be the property of the body collectively and no individual member can withdraw any portion of it. Interest at the rate of 6½ per cent. is allowed by the financier on these deposits. As these deposits will be lent out again 3½ per cent. will be used to defray the costs and 3½ per cent. will be credited by the financier to a special indivisible reserve fund belonging to the body of villagers.

Mr. Christian's object in compelling the financier to hold this money for the body is that the body may in the end have sufficient capital to make themselves independent of the financier. The other points in the scheme are more or less admissible; individual loans are not to exceed Rs. 50, the money is to be used for purposes of agriculture; loans are to be given for one year only. It is stated by Mr. Christian that the object of the scheme is to bring into existence Coöperative Credit Societies in certain villages.

This object could, I think, be better attained in other ways. The scheme has nothing whatever to do with coöperation at the outset, and it is not clear how the coöperative principles are to be taught to the *raiya*t>. The net result of the scheme, if successful, will be to provide the village with a capital after a number of years with which the body may commence to try coöperative methods. It would be easier to commence with coöperative principles at first. The method by which the capital for starting coöperation is to be collected is by deducting 6½ per cent. from every loan granted and by allowing this to accumulate by lending it out. The coöperative principle would not interfere with this and

therefore would not interfere with the object in view. I would propose, therefore, that the money be lent to the society by the financier at  $6\frac{1}{2}$  per cent., that the village body manage their own affairs, and that all profits should go into the society. The advantages of this over Mr. Christian's scheme are, in the first place, the body could be registered as a Co-operative Credit Society under the Act without any cost, while to secure the same advantages under Mr. Christian's scheme the body would have to be registered under the Companies Act, the cost of which would probably be prohibitive. The societies would also have the benefit of Government supervision and advice and other advantages offered by the Act. In the second place, the body commence by managing their own affairs and by learning the value of joint action and responsibility. The society becomes as nearly as possible independent of outside influences, and, if successful, will be strong and independent before it has accumulated the capital aimed at by Mr. Christian. In fact at the time when under Mr. Christian's scheme the body would be commencing to work under co-operative methods under this scheme, it would be a full fledged Co-operative Credit Society. The methods of accumulating capital are the same under both schemes, but this scheme teaches independence and self-help, whereas under the other the raiyats remain dependent on the financier. Thirdly, this scheme is sound business. It is to the interest of the borrowers to manage their society as cheaply and as safely as possible, and it is to their interest to keep down the rate on loans as much as possible, while at the same time it is to the financier's interest to see that the societies thrive in order that he may have investment for more money at  $6\frac{1}{2}$  per cent. With Mr. Christian's scheme, on the other hand, it appears to me there is no true business at all. The financier is a philanthropist who, instead of keeping the *salami* himself of  $6\frac{1}{2}$  per cent. because he has the interests of the bank at heart, hands over this  $6\frac{1}{2}$  per cent. to the banks, to form a reserve fund which will finally be the means of putting his own investment out of the market. The financier's true business interests are directly opposed to the interests of the borrowers. It is to his interest to make as much profit as possible, and the *raiya*, interest is to keep down the rate of interest. If we remove the philanthropic motives from the financier, we leave a man in a position to make the most out of the *raiya*, and there is not the least chance of him desiring against his own interests to free the societies from his clientee and to make them independent of his advances as Co-operative Credit Societies. Every society which becomes independent throws some capital belonging to the financier out of the market and the financier has at great trouble and expense to himself to search for new villages in which to start his scheme afresh.

I think therefore that it is quite clear that, if the object be to establish Co-operative Credit Societies, Mr. Christian's scheme is far inferior to pure co-operation from the outset.

If, however this object of Mr. Christian's scheme be put aside and the one of profit be put forward, the scheme is possibly a good one. It has been said that men will come forward more readily with their money on the chance of making 8 per cent. or more under Mr. Christian's scheme when they have only a fixed  $6\frac{1}{2}$  per cent. under the other scheme. This means that speculators would be willing to risk their money on Mr. Christian's scheme with the chance of making 8 or more per cent., and therefore that in the eyes of the money market Mr. Christian's scheme is a sounder investment than the other. Now is this the case? I do not think that Mr. Christian could register every one of his village bodies under the Companies Act. It would be too expensive. In all cases of recovery through the Courts, Mr. Christian would have great difficulty in suing on the joint liability. The possibility of default must be considered, and outsiders will look at the machinery for recovery first, before they invest their money. If, however, Mr. Christian could afford to register his societies under the Companies Act, this drawback would be removed. On the other hand, the societies would not have the benefit of Government supervision and advice, and I think that the outsiders would consider this a disadvantage. They would be more ready to invest money in a society registered under the Act for Co-operative Credit Societies.

On the whole, I am inclined to think therefore that they would prefer a fixed  $6\frac{1}{2}$  per cent. in Co-operative Credit Societies to 9 per cent. or 8 per cent. with a chance of more in Mr. Christian's scheme.

Consider the matter from another point of view: If both schemes are successful, it will be possible to get money at  $6\frac{1}{2}$  per cent. with the greatest of ease, and the co-operative scheme would drive the other out of the field in a very short time.

Unless therefore Mr. Christian can bring forward some very strong grounds for believing that his scheme will bring the Co-operative Credit societies into being sooner than the Government idea, I think it would be wise to drop it at once and to transform the societies already formed into Co-operative Credit Societies.

## MR. CHRISTIAN'S RULES.

### RULES FOR THE WORKING OF THE PHULWARIA AGRICULTURAL BANK.

Central Office, Muzaffarpur.

1. This scheme is being tried with the object of bringing into existence Co-operative Credit Societies or village banks in certain villages.
2. The capital of the Central Bank at present is about Rs. 1,000, supplied by Mr. S. Gregory of 42, Ripon Street, Calcutta.

3. The above amount or as much out of it as possible will be lent out among the *raiya*s of four villages of Phulwaria, Pokhraira, Kenaru and More.

4. No individual loan will exceed Rs. 50, and they will all be for purely agricultural purposes, such as (1) resleasing lands mortgaged to the mahajans, (2) paying rents to maliks, and (3) purchase of cattle, seeds and implements of husbandry.

5. Separate accounts will be kept for each of these villages, and loans will be granted through a middleman in each village on the joint security of the borrowers in it.

6. Interest will be charged on such loans at the rate of 2 pies per rupee per month or 2 annas per rupee per year, *i.e.* at 12½ per cent.

7. The cultivators will have to clear up their accounts yearly, *i.e.*, before the 30th of June each year.

8. On receiving his loan, each cultivator will have to lodge at the rate of one anna per rupee as a fixed deposit in the Central Bank, interest being paid yearly on such deposits at the rate of one anna per rupee annually, *i.e.*, 6½ per cent. or half the total amount earned by the *raiya*s. These deposits will likewise be lent out to *raiya*s on the same terms as the capital of the bank.

9. It will not be optional for the cultivators to withdraw their deposits, except under special circumstances.

10. Out of the other half of the interest earned from these deposits, one quarter will go towards the working expenses of the Central Bank and the remaining one quarter will be added to the deposits to form separate reserve funds.

11. The real object of these deposits and the reserve funds are to create capitals which will form the nucleus for the establishment of a separate Co-operative Credit Society for each village.

12. As the deposits of each village bank increase and they are lent out as above, the amount of help which each Village Bank will require from the Central Bank will proportionately decrease every year; and when this help is no longer needed, owing to the accumulation of sufficient funds, the village bank will be able to work entirely on its own resources.

13. The interest derived by the Central Bank on the amount actually advanced each year as loan, by the proprietor, after deducting all working expenses and any losses that may be incurred, will belong entirely to the proprietor.

#### BALANCE SHEET OF THE PHULWARIA AGRICULTURAL BANK.

Showing transactions from 1st to 30th June 1904.

Receipts.	Amount. Rs. A. P.	Expenditure.	Amount. Rs. A. P.
Advanced from the Bank by the proprietor ...	1,009 0 0	Deposit repaid ...	.....
Deposit obtained in this month at 1 anna per rupee of loan paid as per detail. Rs. A. P.	67 4 0	Advances repaid ...	.....
For Rs. 1,009 ...	68 0 8	Loan issued ...	1,076 0 0
Deposit on deposits (above) ...	8 16 8	Deposit not utilized yet ...	0 4 0
Deposit on the loan of deposits (as above) ...	0 4 0		
	67 4 0		
<b>Grand Total</b> ...	<b>1,076 4 0</b>	<b>Grand Total</b> ...	<b>1,076 4 0</b>

#### Assets and Liabilities.

Assets.	Amount. Rs. A. P.	Liabilities.	Amount. Rs. A. P.
Cash balance ...	0 4 0	Deposit in hand ...	67 4 0
Loans outstanding ...	1,076 0 0	Due to the Bank or proprietor	1,009 0 0
<b>Total</b> ...	<b>1,076 4 0</b>	<b>Total</b> ...	<b>1,076 4 0</b>

Showing transactions from 1st July to 31st August 1904.

Receipts.	Amount. Rs. A. P.	Expenditure.	Amount. Rs. A. P.
Advanced from the Bank as per last report ...	1,009 0 0	Deposit repaid ...	.....
Deposit obtained as per last report ...	67 4 0	Advances repaid ...	.....
Deposit obtained in the month of August on a loan of Rs. 16-8 ...	1 0 8	Loan issued as per last report ...	1,076 0 0
Interest obtained on Rs. 40, for 3 months, June, July and August 1904, at 2 pies per rupee ...	68 4 8	Loan issued in the month of August 1904 ...	16 8 0
	16 5 8	Deposit not utilized yet ...	0 2 0
<b>Grand Total</b> ...	<b>1,092 10 0</b>	<b>Grand Total</b> ...	<b>1,092 10 0</b>

## Assets and Liabilities.

Assets.		Amount.	Liabilities.		Amount.
		Rs. A. P.			Rs. A. P.
Cash balance ...	...	0 3 0	Deposits in hand ...	...	Rs 4 8
Loan outstanding ...	...	1,092 8 0	Due to the Bank or proprietor...	...	1,092 6 6
Total	...	<u>1,092 10 0</u>	Total	...	<u>1,092 10 0</u>

5. Mr. Levinge, Mr. Christian and I went out to inspect a society which had been started at Hardi some time previously. The zamindar who was financing the bank was anxious to assist in every way possible, but the society as such hardly existed. The Babu had given out about Rs. 1,000 in loans at a cheap rate, and his tenants had appreciated this attention in so far that they had taken the money and spent that. No one, however, had repaid the capital and few had paid any interest. The books were not kept up, and the accounts of the society were so mixed up with the zamindar's own private accounts that it was impossible to make anything of them. I explained the principles of the society to the Babu and to the *raiyats* and they agreed to recommence operations, in the first place paying up all monies due after the present winter rice crop.

In the afternoon, I addressed the *amlahs* of the Collectorate and expounded to them a scheme for starting a society on a share basis, the members of which would be the employees of the Government offices and any other elected by them. The *amlahs* agreed that it would be a good thing and asked for time to discuss the matter.

As Mr. Christian was not satisfied that I had done his scheme justice, I requested him to call a meeting of any gentlemen who were interested in his scheme that I might discuss the matter with them, and that after I had propounded both schemes to them they might try and persuade Mr. Christian that his scheme was inferior to the Government one. I addressed this meeting which consisted of some six or eight influential native and European residents, and in the end Mr. Christian apparently gave in. His disappointment however was great.

7. I went to Bankipur to see my brother who was passing through on his way to England.

8. I arrived at Motihari at 5 A.M.

The Madhuban Babu's son had come in to discuss the scheme and to tell me of the progress that the bank on his father's estate had made. I had expected Mr. Fremantle to-day too, but he was unable to come in till the following day, and I was thus prevented from visiting the two societies in the Sadar Subdivision at Patahi and at Madhuban.

9. Mr. Fremantle's scheme is roughly as follows:—

It is impossible to properly govern the country without more European supervision. For the purposes of economy therefore it would be better to consider the improvement of the police and the establishment of agricultural banks at the same time as the European supervising officer could be paid three-quarters of his salary or more out of the profits made by the banks: the remainder of his salary, say about one quarter, could be met from the Police Revenues.

Mr. Fremantle proposes therefore that a European should be in charge of every police station, and that his duties within the thana should be substantially those of the Subdivisional Officer within his subdivision with some extra police work added and with the addition of the supervision of the banks. The duties of these European circle officers would be:—

1. To hold charge of the thana.
2. To investigate all serious cases of crime.
3. To decide all petty cases reported to the thana.
4. Hearing of *chaukidari* tax appeals.
5. The supervision of village banks, including the management of the local Thana Central Bank.
6. To act as general intelligence officer and assistant to the Collector.

This is the general scheme. The village banks would be organized as follows:—In the head-quarters station of each district there would be a grand Central Bank, with branches at each thana. This Central Bank would make advances to the village societies up to a variable amount calculated on the cultivated area of the village.

The European officer at the thana would act as intelligence officer for the Central Bank, and when a village bank sent up an application for an advance, the intelligence officer would report whether the village was good for the amount asked for. On his recommendation the Central Bank would advance to the villages. This officer would further inspect each bank within his thana and audit its accounts and submit a report to the District Central Bank at least once a year.

Mr. Fremantle goes on to say that money could probably be borrowed by the Government at from 3 to 3½ per cent.; this money would be lent to the village banks by the Central District Bank at 6 per cent. and the village bank would lend to the *raiyat* at 9 per cent. This margin of 2½ to 3 per cent. should be sufficient to cover the cost of the establishment including the three-quarters share of the European officer's pay.

I explained to Mr. Fremantle that no doubt this was an excellent scheme, but that it was impracticable. At the same time I encouraged him and requested him to look after the

two little societies in his neighbourhood at Patahi and at Madhuban and get them to work on the lines which I indicated, and I promised that the next time I visited Motihari I would come out and see what progress he had made.

In the evening I went on with the Collector to Bettiah. In the afternoon I addressed a meeting of pleaders and *amlahs* at the Collector's office and propounded the same scheme for the establishment of a town bank in connection with the cutcherry.

10. In the morning I rode to Singha Chapra to inspect the local society. I found there an honest endeavour on the part of the *raiya*s to work the bank on more or less correct lines. They did all that they could without the assistance of the *patwari*s, but they confessed to me that they could not understand the accounts and the registers and said that they kept the accounts in their own way and then when the *patwari* had time he assisted them by filling up the proper columns.

So long as the facts of each transaction are recorded, it does not matter in what form the accounts are kept. The only benefit of the elaborate registers and books is to make the accounts more easy to check. On the other hand it is better that the officers inspecting should learn to check the native accounts than that we should attempt to teach millions of natives to understand our registers.

From Singha Chapra I went on to Chailabar. The society at this village is run altogether by the Dokhraba Factory and the books and papers were all kept there. I explained to the people the lines on which I wanted the bank run, and they seemed to understand and to appreciate the changes.

#### NOTE ON THE WORK IN THE DARBHANGA DISTRICT.

##### Diary.

December 11th.—Arrived at Samastipur at 4-30 A.M. Attended the camp of the Bihar Light Horse. In the evening rode to Muktapur.

12th.—Rode and drove from Muktapur to Pusa (12 miles). Saw Mr. Coventry and discussed the scheme with him. In the afternoon inspected the Bukhtiarpur Bank and talked to the *raiya*s. Arrived at Darbhanga at 7 P.M. Saw the Commissioner Mr. Lyon and the Collector. Distance travelled from Pusa 29 miles.

13th.—Saw the Commissioner and the Collector in the morning. Rode to Rohika in the evening. Distance travelled 21 miles.

14th.—Saw Mr. King in the morning, and with him and the Collector inspected the Rohika Bank and talked to the *raiya*s. In the afternoon drove with the Collector and Mr. King to the Rampatti Bank. Talked to the *raiya*s there. Returned to Darbhanga. Distance 34 miles.

15th.—Left Darbhanga by train at 7 A.M. and travelled to Dalsingh Sarai. Inspected the bank there. In the afternoon travelled to Muzaffarpur, as the Collector had wired for me.

In Darbhanga district there are five banks, two on Government Estates at Jogiara and at Bukhtiarpur, one on the Narhan Ward's Estate at Dalsingh Sarai and two on the estates of the Maharajah of Darbhanga at Rohika and at Rampatti.

*Jogiara*.—I was unable to visit this bank, as it was inaccessible in the time at my disposal. The society is situated on a Government Estate, and the Collector will make any alterations on the lines explained by me during his next inspection of the estate.

*Bukhtiarpur*.—This society is also situated on the Government estate and its members are good Khas-mahal *raiya*s who appeared to understand what they were doing. The books, however, were being kept by the Government Tahsildar, and the people did not know how they were kept. The Tahsildar moreover had gone off to another khas-mahal at a distance of some 30 miles, so that it was impossible to inspect them. The books had lately been inspected by the Collector, who was of opinion that, as the *raiya*s had not been repaying their loans promptly, that it would be better to call up all the loans and start afresh. In this the Collector was right, and I impressed upon the *raiya*s the necessity of clearing up all accounts when the present *dhan* crop was reaped, and that in the future they must manage the banks themselves and repay all loans promptly. The Collector will see to this when he next inspects the estate.

*Rampatti and Rohika*.—These two societies are under Mr. Robert King, the local Sub-Manager of the Raj. The money which forms the loan capital was advanced by the Maharajah at 9½ per cent. The societies were practically Takavi loan associations and there was no co-operative credit about them at all. Mr. King considered that he was responsible for the money and, although there was a *punchayat*, they took no responsibility in giving out the money. Further, when any money was paid back by a borrower, it was at once credited to the Raj. Without doubt, the *raiya*s appreciated a system whereby they obtained loans on easy terms without the troubles attendant on a journey to Darbhanga. But the *raiya*s were taking no part in the management, and the agency by which the money was being realized was not the *raiya*s themselves but rather the peons of the Raj, and Mr. King reported that in some cases there had been difficulty in collection. I explained to Mr. King what was wanted, and he will reconstitute the societies on co-operative lines.

Mr. King takes a keen interest in the welfare of the *raiya*s and is most interested in this scheme for assisting him.

*Dalsingh Sarai*.—This society is managed by the Tahsildar of the Narhan Ward's Estate, and the books were all neatly written up by him. The members of the society took no part

in the management and took no part in the admission of members. When a man got a loan, he was considered to be a member, and, when he repaid the loan, he ceased to be a member. The members were drawn from villages widely apart and had no knowledge of each other's affairs. Any one appeared to be admitted of whom the Tahsildar approved. This is not what is wanted at all. Under such circumstances there is nothing to prevent an unscrupulous Tahsildar from carrying on a money-lending business on his own account with the estate funds and crediting 6½ per cent. to the Reserve Fund and 6½ per cent. to the estate, while he takes to himself any balance that he is able to realize from the *raiya*s. This society could not be registered as a Co-operative Society till it has been properly reconstituted.

*Pusa*.—I had a conversation with Mr. Coventry who is keenly interested in the movement, as it will assist him in his agricultural experiments. Mr. Coventry's point of view is that any improvements that the Pusa Institution is able to devise in the way of agriculture will take the form of new manures, new and better seed or new implements or crops. All these things require some capital, and the *raiya*t at present is unable to produce any capital without borrowing it from the *mahajan*. If the Co-operative Credit Societies can come forward and finance the *raiya*s, they will bring the benefits of Pusa within reach of the *raiya*s. This is what takes place in Germany. In fact this is what takes place on the Continent. In fact the Co-operative Agricultural Supply Associations and the Credit Societies work hand in hand, and, in place of money being handed to the cultivator, the value of the goods supplied is debited to his account.

I have asked Mr. Coventry therefore to choose out three or four villages which are suitable from the point of view of his agricultural experiments, and I will return later and start societies in these places. Then, in a year or two when he is ready with new seeds and improvements, these banks will be established and able to finance the *raiya*s.

#### NOTE ON MONGHYR AND BHAGALPUR.

##### Diary.

15th.—Arrived at Muzaffarpur at 7 P.M.

16th.—Accompanied the Collector to the house of Mr. Christian, the Opium Agent. Mr. Christian had arranged for a meeting of the local bankers, samindars and pleaders. One or two European gentlemen interested were also present. The whole scheme and the establishment of a Central Bank were discussed.

Left Muzaffarpur at 2 P.M., and arrived at Monghyr at 10-30 P.M.

17th.—Examined the books of the Balthara Society, and talked to Babu Baijnath Goenka, and the Vice-Chairman of the Municipality.

I was unfortunate in missing the Collector.

Left Monghyr at 5 P.M., and arrived at Bhagalpur at 7 P.M.

18th.—Discussed matters with several native gentlemen, including Babu Tarini Parashd. I also had some conversation with the Collector.

There are no societies in Bhagalpur.

Left for Calcutta in the evening.

19th.—Arrived at Howrah at 8 A.M.

There are two societies in Monghyr, one at Balthara in Gogri thana financed by Babu B. Goenka and one a few miles off at Chautham financed by another local samindar. Neither of these societies are doing any work, and they are merely skeletons established by the two zamindars who desired to assist Government but who have taken no interest in the societies since they were established. The places are most inaccessible, being some ten miles north of one of the stations on the Katihar line and off all lines of road. It was impossible to visit them, and in the meantime they must be left alone.

#### NOTE ON VILLAGE BANKS IN MIDNAPORE DISTRICT.

I spent from 28th December to 3rd January in Midnapore. On the 29th I had a discussion with the Collector who had invited the Government Pleader and the Khas Mihal Deputy Collector in to listen. The former promised to explain the scheme roughly to the principle residents of the town and to arrange for a meeting in the Public Library on the 1st January; the latter went out to Balarampur, a Government Estate some seven miles south of the town, in order to prepare the people for the visit from us on the 31st.

On the 31st, I accompanied the Collector to Balarampur where a large number of tenants had assembled. With the assistance of the Deputy Collector the scheme was explained to the *raiya*s at length. From the questions which they asked, it appeared that they had grasped the idea. The tenants were of opinion that it would be better to have two such banks in the estate, one comprising the people in the Northern Tahsil Circle and another the Southern.

On the 1st January, I accompanied the Collector to the Bailey Hall where 20 people had collected at the request of the Government Pleader. They included:—

- Babu Bhuban Chandra Banerji, Government Pleader.
- „ Raghu Nath Das, Vice-Chairman, District Board.
- „ Trilokya Nath Pal, Pleader.
- „ Hemanga Nath Bose, retired Sub-Judge and Zamindar.

- Babu Radha Gobinda Pal, Zamindar.  
 " Krishna Chandra Banerji, Manager of the Narajole Raj.  
 " Abinash Chandra Mitra, Zamindar.  
 " Kalipada Hazra, Pleader and Zamindar.  
 " Anada Charan Bose, Manager, Mallick's Estate.  
 " Pranaberb Pal, Zamindar.  
 " Ram Charan Kai, Merchant.  
 " Paramanda Shah, Jeweller.

I explained to these people somewhat as follows:—

A *raiyat* seldom has capital to manage his land. He has to borrow his capital at present at very high rates of interest, so that much of the profit which he makes by his labour goes into the hands of another. The security which the solvent and respectable *raiyat* has to offer is good, and it is possible to borrow money at a rate as low as 6½ per cent. on good security. The problem before us therefore is how to bring the small *raiyat* who has good security into communication with the capitalist who has money to lend on good security at a reasonable rate of interest. The present scheme provides for this.

The value of the *raiyat's* security has to be demonstrated to the capitalist, and this can only be done by practical examples. It is these practical examples or experiments which are at present being started in Bengal.

In the first place it must be clearly understood that these societies or banks cannot (at least at present) in any way benefit the insolvent *raiyat* or the man whose character is such that none of his neighbours will trust him. There are many *raiya*s in the country who are not insolvent, and there are many *raiya*s who are trusted by their fellows. The societies are established for the benefit of such.

The first condition of such societies is that the whole of the members must be jointly and severally responsible for the capital advanced by the capitalist. Without this no society can be started. It is necessary therefore that the members should have the right to turn out any member as soon as they find that he is doing anything which they consider weakens his credit, and no new member can be admitted to the society unless the members agree that they can accept joint responsibility with him. This means that in any one bank only those who are very intimately connected with each other can be members, in other words a society must be confined to the small area of one village or one *basti*. In villages where factions exist, it might possibly be well to have a bank for each faction, that is a matter which experience can show.

The first condition of the formation of a village society therefore is that the members should be drawn from a very restricted area within which each man is well known to his neighbour, and within that area the members must be elected, and the members have the right to exclude any one they do not wish and to expel any member they cease to trust.

The second condition is that the whole of the management of the society should be done by the members themselves, and done without remuneration. The duties will not be heavy, and every one will have to take a turn. If the members do not agree to this, then they cannot have the benefit of a society.

The society will be managed by a committee of five, assisted by three checkers or supervisors. One day a month the committee will meet in the village at a fixed place (I have proposed that the full moon day should be fixed, as that is a day known to all and a day upon which all are in the village). The members will appoint this committee and these supervisors for one year, and they can remove any member of the *punchayat* at any time during the year, if they consider that he is not working to their satisfaction. When a villager wants a loan if he is not a member, he comes before the *punchayat* and asks to be admitted to the society. If the *punchayat* consider that he is a desirable acquisition, they let him in (provided the other members do not object). If they do not consider that he should be admitted and the rest of the members agree, he cannot get a loan. When a member wants a loan, he applies to the *punchayat* in writing, stating at the same time the purpose for which the loan is required, and to this purpose the money lent must be applied. The committee consider the purpose, and, if it seems to them good and the amount does not appear to be excessive, they next consider how the applicant will be able to repay the loan. The committee have a personal knowledge of the applicant's crops and circumstances, and in accordance with these they fix the *kists* and the instalments to be paid, and these *kists* and instalments must be rigidly adhered to. When this has been settled, the committee then call upon the applicant to give them the names of two members of the society who will go security to the society for the repayment of the loan by the applicant. The whole of the society is responsible for the capital of the village bank, but these two members are responsible to the society for this particular loan. When the sureties have agreed and signed the bond, the committee hand over the sum to the applicant in the presence of one of the supervisors. It is then the duty of the supervisors to see that the money is properly applied, and in the event of any misapplication to report to the *punchayat*. At each monthly meeting of the *punchayat* every loan which has been made and not yet repaid in full is considered. The committee read out the names and the supervisors have to report on the state of the security. If any security has deteriorated, then the committee must call upon the member to give new securities or to return the money lent.

The accounts of the society will be kept by the committee in the simplest manner possible; there will be a file of applications, a daily cash-book and a ledger (which will have for index a list of the members).

Loans cannot be renewed, except in the case of famine or such unforeseen calamities. If a member borrows on condition that he is to pay back in the instalments fixed by the *punchayat*, the *punchayat* must collect the instalment immediately after the crop is reaped. If there is any delay due to obstruction by the member, then he must be expelled and the sureties called upon to pay the amount.

At present no small *raiyat* can borrow sums of Rs. 50 to Rs. 100 or Rs. 200 at a less rate of interest than 25 per cent. Under this scheme the *raiyat* will be able to borrow at 2½ per cent. from the society, and the society will be able to borrow at 6½ per cent. The difference between these rates will go first to the cost of management of the bank, and secondly to the formation of a reserve or capital fund. In time a capital fund will be accumulated in the village, from which the villagers will be able to borrow at a less rate than 12½ even, for it will be unnecessary to borrow money at 6½ per cent. This capital fund, however, will be indivisible among the members; if the society ceases to exist, the fund will be deposited in the treasury to be handed over to the committee of a similar society in the same village whenever such may be again established.

For a society on this principle to work, it is necessary to borrow money in the first instance. The working capital of the society will be made up of a small entrance fee of, say, one rupee, from each person who is admitted as a member, the deposits of members, money borrowed from outside. Entrance fees will be very small indeed. Deposits of members will not be sufficient, but to show its interest in this movement and to encourage members to deposit money, the Government has promised to deposit in even fifties of rupees a similar amount in the bank to that deposited by the members, and this deposit will be given for three years without interest. At the end of three years the sum will be repayable in ten annual instalments and will bear interest at the rate of 4 per cent. per annum. In addition to this, it will be possible to borrow money for the society at the rate of 6 per cent. In the first place only a comparatively small sum will be required as capital until it be seen that the members appreciate the scheme and understand the accounts and are willing and capable to manage the society. When the members have demonstrated that they are to be trusted to manage the society properly, then it will be possible to advance to the village as much money as is required to finance the whole of the members.

I then went on to explain to the meeting the scheme for the establishment of a District Central Bank to finance the village banks and to spread the movement.

A short discussion followed. The meeting seemed rather doubtful whether it would be possible to find people who would trust each other in this fashion, but it was pointed out to them that, as soon as it can be demonstrated that people by trusting each other are going to make money, they will be willing to give the scheme a trial. The gentlemen present were asked to make the principles as widely known as possible, and the Collector expressed the hope that the Registrar would be able to come and speak to a more representative meeting at the time of the Agricultural Show in February.

On the morning of the 3rd of January, it is my purpose to address the *amlah* and others in the Collectorate, and sketch for them a scheme for the establishment of a town society for the benefit of the clerks.

The scheme is roughly as follows:—

The members of the society will be the employees and others elected by them: but the ordinary domestic or business residence of members must be either within the municipality of Midnapore or within a certain radius of the Collector's Court.

The objects of the society will be to assist members to free themselves from money-lenders, to give members facilities for obtaining loans at a cheap rate of interest, to encourage members to save money and to methods of thrift, and to offer a safe investment for money belonging to members and others.

Each member will be bound to take up at least one share of ten rupees payable in monthly instalments of not less than one rupee, and the amount of his loans will be limited to ten times his share capital.

No member will be allowed to take up more than 25 shares.

Interest at the rate of 6½ per cent. will be allowed on fixed deposits for one year, interest at the rate of 12½ per cent. will be charged on all loans and interest at the rate of not more than 6½ per cent. will be paid on all fully paid up shares. The liability of members is limited to the nominal value of their shares.

The society will meet once a fortnight, on the 1st and 15th of each month, in a convenient fixed place. This committee of nine members will be elected annually by the members. New members can only be admitted with the consent of the old members. If necessary, an allowance or bonus may be allowed to the clerk who is deputed to keep the books. In addition to the committee, there will be a Board of three members elected by the society for one year whose duty it is to supervise the accounts at least once a quarter and to see that the money advanced to the members is properly employed.

Every member must state the purpose for which the loan is wanted, and, if the money is misapplied, the loan will be called up at once. Before receiving a loan, the member must give two other members as security.

Loans will be repayable in monthly instalments, and in no case will they be given for more than one year. Loans for terms of three and six months to receive preference over those for a longer period.

Shares will be repayable to members within six months of resignation, and shares cannot be transferred without the permission of the committee.



A balance sheet must be drawn up at the close of each meeting and fixed in a prominent place near the place of meeting, so that all members and outsiders can see exactly how the affairs of the bank stand.

Of the total profits, a sum of at least 25 per cent. must be paid into a reserve or capital fund, and this fund is indivisible among the members. When it accumulates, it will be possible for members to obtain loans at a still lower rate of interest. The rest of the profits will be employed, first in paying any expenses of management, second, in paying a dividend on the shares, and any balance may be employed, partly in remunerating the clerk and in adding to the reserve fund.

An entrance fee of, say, one rupee, will be charged and these fees will be credited to the reserve fund.

The working capital of the society will consist of the entrance fees, the deposits of members and others the share capital. To give the bank a start and to induce confidence amongst outsiders it might be possible to find a guarantee of say Rs. 500. This sum would not be available for use as working capital, but it would be a guarantee of good faith to the outside world and would encourage outsiders to deposit money.

In Midnapore there are at present no coöperative credit societies; the Collector has however, already made enquiries concerning the places in which societies are likely to succeed and the following schemes have been put forward:

1. *Sadar Subdivision—Balarampur Government Estate.*—The Deputy Collector in charge, Babu Jamani Nath Mitra, had explained the scheme to the people and had obtained promises of deposits of some Rs. 650. The details of the scheme, as explained by me to the people, probably differ somewhat from those explained by the Deputy Collector, and it therefore remains to be seen how far the people are still willing to deposit this sum. In the first place, I am of opinion that it would be better to start two societies in Balarampur as the area is large, but the people are divided into two well-defined circles. The first thing to be done now therefore after the people have had time to discuss the matter amongst themselves is to get them to hand in the list of members for each society. It will be better that the members should pay to the *punchayat* appointed by themselves their entrance fees of one rupee each. As soon as this is done, the Collector will send up their application for registration as a society under the Act. The societies will be registered without delay and the Registrar will draw up rules for them in consultation with the Collector. As soon thereafter as deposits have been made, an application will be made to Government for a deposit under the terms of the Resolution, but as it is possible there may be some delay in this matter, an application should be made to the Board to allow a sum of say Rs. 300 to be advanced to each society at 6½ per cent. from the Improvement Fund. The Registrar will then come back and institute the society and attend at the first meeting.

*Tamluk Subdivision.*—The Subdivisional Officer did not understand the principles of the scheme and consequently makes no proposals. A perusal of the note I have written might assist the Subdivisional Officer and he might have some proposals ready when I return.

*Contai Subdivision.*—The Subdivisional Officer reports that he has tried to found a society in—

1. Dibsai in the zamindari of Bhuiya Akhay Nath Das Mahapatra,
2. Kajbazar in the zamindari of the Burdwan Raj.

but was unsuccessful "as the people could not be persuaded to come forward with funds for the formation of such banks." It is possible that when it is explained to the Subdivisional Officer that within limits it is possible to finance the societies from outside that he will be more hopeful of success. He might approach the Manager of the Burdwan Raj and ask whether he would not be willing to advance say Rs. 500 to each of two banks to be started within his zamindari at 6½ per cent. If necessary, I could approach the Maharajadhiraj himself.

At Contai itself the Khas Tahsil Deputy Collector has got together ten men who have expressed their desire to try the scheme and to deposit a sum of Rs. 100. After the Deputy Collector has seen this note he might be able to explain the scheme more fully and to induce others to join. It might also be possible to obtain from the Improvement Fund a sum of say Rs. 300 for the society at 6½ per cent. When I return to the district, I shall try to visit Contai and encourage the people.

*Ghatal Subdivision.*—The Subdivisional Officer has taken much interest in the scheme and reports that he has met with some encouragement. He proposes to establish societies at—

1. Radhanagar in thana Ghatal within the zamindari of Babu Hemanda Chandra Ray, of Jara, and
2. Jakra in thana Chandrakona, in the zamindari of Babu Rakhai Das Mukherjee of Sultanatha.

Application has been made by both societies for registration, but it is first necessary to see that the applicants properly understand the principles of the scheme. Before the society is registered, therefore, it might be well if the Subdivisional Officer read these notes and spoke to the people again so as to give them an opportunity of cancelling the names of any persons whom they do not fully trust.

Rules for the society too will have to be drawn up.

The members of the former society have promised to deposit Rs. 625, the members of the latter society have promised Rs. 350.

I shall try and visit these places too, when I next return. Meanwhile the Subdivisional Officer, in addition to explaining the scheme upon the lines of my note, might also approach

the zamindars and ask whether they would not be willing to invest, say, Rs. 300 each at 6½ per cent. in the society.

Meanwhile I shall draw up rules which I consider suitable and will submit them to the Collector.

## BALASORE.

## Diary.

3rd January 1905.—Arrived at Balasore at 6 P. M.

4th January.—Left Balasore at 7-30 A.M. and rode to Sargan, 7 miles; inspected the local bank and returned to breakfast at noon. In the afternoon explained the scheme to Raja Baikanta Nath Dey of Balasore who expressed his interest in the matter and offered to finance two banks on his own estates to the extent of Rs. 500 each.

5th January.—Left Balasore at 7-30 A.M. and rode to Remna, one of the villages in which the Raja proposes to start a bank. Explained the rules to the *raiyats* and returned to Balasore for breakfast. In the afternoon explained the scheme to Babu Harenka Narain Ray Mahashoy of Lakhanath and to the Raja of Kanika, both of whom expressed their willingness to start such societies in their estates and both promised to explain the rules to their *raiyats* and to let me know the result.

6th January.—Left Balasore at 7 A.M. and rode to Nuaparhi, 11 miles, where the local bank members had assembled. Inspected the bank and returned to Balasore for breakfast.

Left for Cuttack with the evening train.

In Balasore there are at present three coöperative Credit Societies—one at Sargan, one at Nuaparhi, and a third at Orora, a Government estate, some distance from Bhalrak. The first two I inspected and the third was too far off and the Collector reported had not made so much progress as the other two.

*The Sargan Society.*—This society was started through the influence of Babu Radha Charan Das, the zamindar of Sargan village in July 1902. It has at present 87 members belonging to villages Sargan (57), Maliganj (12) Sk. Patna (7) Inchuri (5), Sonhat (5), and Jodestipur (1). The *punchayat* consists of the zamindar, his manager, Nimai Charan Ghose, and two villagers. The fifth man who acts as Accountant is Raghunath Mahanti the zamindar's gomastha. Three of these men act as Supervisors. The *punchayat* meet in the cutcherry at Sargan, but there is no fixed time for meeting. Practically whenever the zamindar comes to the cutcherry and there is any business to transact, there is a meeting of the *punchayat*.

At the commencement of the bank in July 1902 Babu R. O. Das advanced Rs. 200. This sum was repaid in the end of January 1903. On 18th May 1903 a sum of Rs. 150 was advanced to the bank by the zamindar, and again, on the 10th July, Rs. 11, on the 1st August and again on 8th August 1903 sums of Rs. 14 and Rs. 12. In the middle of February 1904 this total sum of Rs. 187 was repaid to the zamindar; again in November 1904 a sum of Rs. 50 was advanced to the bank.

The balance sheet of the bank is as follows:—

Liabilities.			Assets.		
	Rs.	A. P.		Rs.	A. P.
To Babu R. O. Das, at 6½ per cent.	50	0 0	By cash in hand ...	15	1 5
To interest due on this ...	0	8 4	By cash in Post Office Savings Bank.	36	2 0
To deposits of members	13	9 0½	By loans outstanding ...	50	0 0
To interest due on this ...	0	13 8	By interest due on ditto	1	0 8
To Reserve Fund ...	36	2 0			
Balance being "worth" ...	1	3 0½			
<b>Total</b>	<b>...</b>	<b>102 4 1</b>	<b>Total</b>	<b>...</b>	<b>102 4 1</b>

There are at present only four loans outstanding and these were granted in November. The payments have all been prompt and the payment of interest has also been prompt.

There is no ledger showing the account of each member.

From the statements of the *raiyats* it was clear that they appreciated the advantages of obtaining loans at a cheap rate of interest without the trouble of registration and of paying fees. On the other hand, the society, though doing good and useful work, is hardly a coöperative credit one. In the first place the members live in villages some distance apart and the force with which the monies are collected is not the public opinion of the members of the bank but the influence of the zamindar in his own estates. Without the zamindar this society would fail. It is not being managed by the members for the members. It is being managed by the *amlah* of the zamindar in accordance with the rules laid down by the Collector. It is possible that after the people have had the experience of the benefits of a society run on these lines that they may be more ready to start a society on coöperative credit lines. In the meantime, however, I would propose that the members should be given more of the management and that the money should be made over to them

by the zamindar. At present the zamindar advances money from time to time and collects it back again as the people pay into the bank. As the Collector puts it, the society is really a convenient system of distributing takavi loans advanced by the zamindar. It would be better, if the manager of the zamindar and the gomastha were to supervise the bank from outside, but to let the members have a chance at learning how to manage it by practical experience. The zamindar should then deposit the whole sum of Rs. 300 or so in the bank and should merely collect his interest from the bank once a year. When the bank is in a flourishing state it will commence repaying the capital lent.

I am much inclined to think too that it would be better to confine the operations of the bank to the village of Sargan, but this is a matter for the members to decide themselves. If they can trust the people from the outlying villages by all means let them do so.

*The Nuaparhi Society.*—This society was started in January 1902, with a membership of 32. It is supervised by Babu Uday Narain Das, the resident zamindar of the place. It has now 98 members in all, and is financed by a sum of Rs. 300 borrowed from a charitable fund belonging to the Magistrate.

The Committee of Management consists of the zamindar, the local school master (who acts as Secretary to the bank) and three *raiya*s with 5, 7 and 10 acres respectively. One of these was a particularly intelligent man. In addition to this committee, there are three supervisors, one of these is the son of the zamindar, and one died a short time ago. The rules of the society are those of Mr. Dupernex and the whole of the registers kept in Allahabad are used here.

The meetings of the committee are held in a house which has been specially built at a cost of over Rs. 100, of which the zamindar contributed Rs. 80 and the balance was subscribed by the members. This bank house was formally opened by the Collector and myself. The meetings of the committee are held as often as is considered necessary. There is no fixed day for holding them.

The members of the bank are drawn from six villages: Nuaparhi (67), Baitobank (10), Mukra (18), Rasalpur (1), Dubahati (1), and Koronia (1). These villages are distant from the bank house from half a mile to two miles.

I was unable to make out a balance sheet of the affairs of the bank, as the register of loans did not show whether the various loans had been paid back or not, and it would have taken too long to have extracted each item from the cash-book.

In addition to the ordinary cash business, this bank is doing a grain business, the accounts of which are kept quite distinct. The interest on loans is calculated in grain and paid in grain.

As in the Sargaon bank, I would recommend that the management be made over more to the members. The members appear to have a greater share in it here than they had at Sargaon, but I would propose that the committee be composed entirely of villagers and the Committee of Supervision likewise and that the zamindar confine his energies to a general guidance from outside. I would also propose that the committee should meet regularly on the first day of each month (emergencies excepted). No renewals should be allowed. I see some men who received small loans in 1902 who have not yet paid up and there was no good reason forthcoming for these defaults.

As to the grain accounts, I would prefer to give no instructions. I have no experience of grain accounts and should like to see how the experiment of a grain bank succeeds here. I would let the people keep whatever grain accounts they find most convenient. Grain entries however must not be mixed up with cash entries.

I think too it would be better to stick to the small area, but that is a matter for the members to settle amongst themselves.

Generally, I would recommend that the Collector consider the advisability of keeping simple native accounts in place of the elaborate forms, but if the people can understand the forms, so much the better, the accounts will be easier to check. I will recommend that an advance be given to this bank to encourage it, but before this is done it will be necessary to audit the accounts. I will address the Collector separately concerning this. I would like to see the Sargaon bank run on coöperative credit lines with the Rs. 300 advanced by the zamindar before I recommend that a grant be made from Government funds.

## CUTTACK.

### Diary.

6th January.—Arrived from Balasore 12-30 A.M. Left at once in *palki* and arrived at Mr. Fischer's camp at 8 A.M. at Patpur; distance travelled 19 miles. Explained scheme to the Manager of the Dhompara Estate which is under the Court of Wards. Mr. Fischer proposes to put aside Rs. 1,000 in next year's budget for the purpose of starting two banks. Rode to Banki (Chirchirwa) with Mr. Fischer; distance 8 miles.

Met the Commissioner Mr. Growse, in camp. In the evening talked to the *raiya*s of the estate at the Nhas Tahsil catcherry, the new Sub-Deputy Collector acting as interpreter when necessary. Some of the *raiya*s however understood Hindustani.

S/A.—Left Banki catcherry at 7-30 A.M., and rode to Baraput, where a second bank is situated. I took the late Sub-Deputy Collector who is now Settlement Officer with me to translate and in order that I might inspect some of his settlement work (concerning which

a separate note is submitted to Mr. Maddox). Talked to the *rājats* at Baraput and examined their books. Returned to Tahsil bungalow at noon. Distance travelled 15 miles.

In the evening inspected the settlement office and the books of the Chirchirwa bank and again talked to the *rājats*.

9th.—Left Banki at 8 A. M. and rode to Subharnapur where the third bank is situated on the north of the river. Inspected the bank and talked to the people; returned to Cuttack where I arrived at 7 P. M.; distance travelled 31 miles.

10th.—In the afternoon I addressed a meeting of a few native gentlemen of Cuttack and answered their queries and criticisms. Left for Puri. Distance to station 4 miles.

In Cuttack there are three cooperative credit societies, all situated in the Banki estate, which is managed by the Khas Tahsil Department of the Collector. The societies commenced work in May 1903 with a loan capital (from the estate) of Rs. 1,000 distributed as follows: Chirchirwa, Rs. 300; Baraput, Rs. 400 and Subharnapur, Rs. 300.

Baraput.—There are 66 members in this bank drawn from the following villages: Baraput (12), Patripura (33), Pasania (21). These three villages are all within a radius of less than half a mile, so that all the members are well known to one another. The statement of assets and liabilities is as follows:—

<i>Liabilities.</i>			<i>Assets.</i>		
	Rs.	A. P.		Rs.	A. P.
By Khas Tahsil Fund ...	400	0 0	To loans to members...	400	0 0
Interest due on above ...	14	9 4	Interest due on ditto...	29	2 8
Cash in Post Office Savings			Reserve Fund ...	68	10 0
Bank ...	53	10 0			
Cash in hand ...	...	.....			
Balance ...	14	9 4			
<b>Total</b> ...	<b>487</b>	<b>12 8</b>	<b>Total</b> ...	<b>487</b>	<b>12 8</b>

The sir punch is Madan Mohan Patnaik, the Sarbarakar, an intelligent man, who apparently takes much interest in the Society. In addition to the *panchayat* there were three supervisors, and all understood the principles of joint responsibility. The society appears to have done much good work and the members were unanimous in desiring that the capital should be increased.

There was general satisfaction when I explained that loans need not be confined to agricultural productive purposes; as this had been one of the great drawbacks.

Chirchirwa.—The members of this bank number over 80: all are drawn from a radius of a little over half a mile, and the condition of knowledge of each other's affairs seemed to be complied with. The bank is under the eye of the Sub-Deputy Collector in charge of the estate and the present Sub-Deputy Collector takes much interest in the work. He was present on both occasions when I talked with the *rājats*. Here too, there is a general desire for more money. The society is being managed by the people themselves, but the member of the *panchayat* who did the clerical work thought it was somewhat hard that all the work should fall upon him and that he should get nothing for it. I explained that if the rest of the members agreed, they could pay him a small sum for his work, not exceeding 20 per cent. of the profits in any one year. This appeared to cause general satisfaction.

Subharnapur.—This bank consists of 83 members, drawn from the following villages: Subharnapur (30), Phulwari (8), Ostia (18), Bisunpur (5), Andapur (7), Gorabir (13), Naya Patna (2). These villages are all within a radius of one mile, some of them are a little far off, but when I explained the danger of having people in the society who were not well known to the members, the people explained that all those who were far off were people whom they could trust. The statement of assets and liabilities is as follows:—

<i>Liabilities.</i>			<i>Assets.</i>		
	Rs.	A. P.		Rs.	A. P.
From the Khas Tahsil Fund ...	300	0 0	Loans to members ...	226	8 0
Interest due on this ...	9	12 0	Interest due on ditto.	14	2 6
Deposit of member ...	1	0 0	Cash in Post Office		
Balance ...	71	5 0	Savings Bank	62	0 9
			Cash in hand ...	79	6 9
<b>Total</b> ...	<b>382</b>	<b>1 0</b>	<b>Total</b> ...	<b>382</b>	<b>1 0</b>

The cash in hand will be put in the bank.

General.—The people of Banki seem to understand the principles on which they are working better than in any place I have inspected. The members are fairly well-to-do khas

mahal *raiyats* and there is the additional benefit that they do not seem to be afraid of the money-lender. In one of the villages they said that there was no money-lender and that the bank was the only means they had of getting money. The societies were managed by the *raiyats* themselves without interference from tahsildars or other Government servants, and the benefits were keenly appreciated. All the banks have asked that the capital may be increased, and I have no hesitation in recommending this myself. The capital might well be increased to Rs. 750 in the case of each bank.

Before this is done, however, it will be necessary to thoroughly examine the accounts, and to register the society. I shall write separately to the Collector on this subject.

## PURI.

### Diary.

10th March.—Left Cuttack in the afternoon with goods train, halted at Khurda Road.

11th March.—Left Khurda Road at 8-45 and arrived at Balugaon at 10-30 A.M. Met the Collector at Balugaon bangalow and talked to the *panchayat* of the local society. Left Balugaon at 1-30 P.M., arrived Khurda Road 5 P.M. Rode from Khurda Road to Khurda, distance 7 miles.

12th March.—Left Khurda at 8 A.M., arrived Tarabhoi and inspected the society there. Returned to Khurda for breakfast. Afternoon Khurda to Khurda Road Station, mail to Calcutta. Distance travelled 21 miles.

13th March.—Arrived Howrah 6-30 A.M.

In Puri there are five coöperative credit societies, three situated on the Government Estate of Khurda at Balugaon, Bollgur, and Tarabhoi; one on the Government Estate at Nimapara, and the fifth in a private estate at Malood.

*Malood*.—This society is situated on the narrow strip of land which separates the Chilka Lake from the sea and was inaccessible to me. The Collector will be able to visit it and talk to the members on the lines indicated during his next inspection. I have no information of any kind concerning the work done by the society.

*Nimapara*.—This bank was also inaccessible to me and the Collector will be able to inspect it during his next visit to the estate.

*Bollgur*.—Rs. 500 has been provided for this bank from the Khas Tahsil funds, but I have been unable to find whether the bank is at present working. It is situated 24 miles to the west of Khurda and 30 miles from the railway station. I was therefore unable to visit it.

*Balugaon*.—This society was started in March of the present year, with a loan of Rs. 500 from the Khas Tahsil funds. There are at present 91 members, and loans ranging from Rs. 5 to Rs. 10 have been made to them for agricultural purposes. The members come from the following villages: Balugan (15), Gaupada (5), Besari (5), Sukji Patna (3), Rautrapali (12), Saranohi (2), Boriasahi (10), Korikapali (10), Poraji and Galua. With the exception of the last village, from which only one member comes, all are within a radius of two miles and the *raiyats* all seemed to know one another. The sir punch is Champani Patnaik Sarbarakar. There are no supervisors. The statement of liabilities and assets is somewhat as follows:—

<i>Liabilities.</i>	Rs.	A.	P.	<i>Assets.</i>	Rs.	A.	P.		
To the Khas Tahsil Fund	...	500	0	0	Loans to members	...	499	0	0
Interest due, 9 months	...	23	7	0	Interest due on loans to	...			
Reserve Fund	...	22	4	0	members, @ 6 pice	...	35	6	0
Balance	...	11	15	0	Cash in hand	...	1	0	0
					Do. bank	...	22	4	0
Total	...	557	10	0	Total	...	557	10	0

Interest is being charged at the rate of 6 pice per rupee. It would be better to charge at the rate of two annas from next year, and so the Capital or Reserve Fund will increase quicker.

I talked to the *raiyats* present and explained the objects of the bank and impressed upon them that this was a business concern and that if they managed properly they would be able to borrow as much money as necessary for their bank. The *panchayat* were intelligent and they managed without any interference from the estates tahsildar or amlah. They seemed to appreciate the different points I impressed on them. This bank might receive an increased grant of Rs. 250.

*Tarabhoi alias Tirimal Society*.—This society is situated at a distance of 7 miles from the sub-divisional head-quarters near the line of railway. It was started in May 1903, with a capital of Rs. 250 lent from the Khas Tahsil fund. There are at present 52 members, drawn from the villages Tirimal (3), Haripur (3), Tarabhoi (31), Koranga (10) and Babaja (6). The first two villages are situated at a distance of about 1½ to 2 miles, but the others

are all together and the members informed me that those from the first two villages were good men, well known to them all. Here, as is Balugaon, interest is being charged at the rate of 6 pice per rupee and I have recommended that 2 annas be taken from next year. The statement of liabilities and assets is somewhat as follows:—

<i>Liabilities.</i>				<i>Assets.</i>				
		Rs.	A.	P.				
		Rs.	A.	P.				
From Khas Tahsil Fund	...	250	0	0	To loans to members	...	297 0 0	
Interest due	...	28	10	4	Interest due on loan to members	...	24 12 0	
Reserve fund	...	23	12	0	Cash in hand	...	...	
Balance	...	19	5	8	Do. bank	...	...	
Total	...	321	12	0	Total	...	321 12 0	

The society is managed by an old Sarbarakar (an Honorary Magistrate) named Sirdhar Patnaik who has taken much interest in the matter and has kept the books of the society in excellent condition. The *panchayat* and the other members however were quite alive to the benefits of the society, and the society's management was not by any means in the hands of the Honorary Magistrate alone. The people understood what they were doing and were keenly alive to the benefits to be got from the Society. The capital of this society might well be increased to Rs. 500 by a further grant of Rs. 250 from Khas Tahsil funds at 6½ per cent.

#### 24-PARGANAS.

15th January.—At the request of the Collector of the 24-Parganas I went out to Habra, some 10 miles beyond Baraset, to address a meeting of the *raiyats* who were anxious to establish a coöperative credit society amongst themselves. The Collector and the Subdivisional Officer joined the train at Baraset. On our arrival we found a large number of *raiyats* collected headed by the local Sub-Registrar. We adjourned to the local school from the verandah of which I spoke to the people, the Subdivisional Officer acting as interpreter. We spent two hours in unfolding the scheme and answering the *raiyats'* objections. One objection brought forward was that this scheme would not assist those who had nothing, but only those who had property. I explained however that there was no reason why the scheme should not assist those who had nothing, provided they were trusted by their neighbours. The Subdivisional Officer handed me a list of 62 persons who had all promised to subscribe sums ranging from Rs. 5 to Rs. 100, in all Rs. 1,145, towards the capital of the bank. These persons were residents of 22 different villages within a radius of three miles of Habra. I explained that it would possibly be better to have two or three societies in this large area, and to confine the membership to those who lived near to each other and had thus a knowledge of each others' affairs, but it was hard to get the people to see the benefit of this. They have taken time to think the matter over, and I have advised them to show their confidence first by depositing their money in the local savings bank and appointing committee of five and three supervisors for each bank if it is proposed to have more than one. When this has been done, rules will be drawn under my guidance and an application for registration will be sent up. After all this I will see to obtaining a deposit from Government under the terms of the Resolution. In such a case as this, it will not be necessary to advance funds from Mr. Hamilton's fund, as Rs. 2,000 is quite enough for the society to commence with. I returned to Calcutta in the evening.

#### NADIA.

26th January.—Left Sealdah at 3-30 P.M., arrived at Krishnanagar at 8 P.M.

27th January.—Mr. B. D. Pal Chaudhary called in the morning and after discussing his projects and his trusts, I accompanied him to Mahesganj where I talked to the *raiyats*, Mr. Chaudhary interpreting for me whenever necessary. Evening returned to Krishnanagar. Distance travelled by road 12 miles.

28th January.—Mr. Chaudhary called for me in the morning and we went together to the village of Bahadurpur where I talked to the *raiyats* who decided that they would take part in the scheme. Returned to Krishnanagar before noon. In the afternoon discussed the terms of the trust with Mr. Chaudhary.

29th January.—Left Krishnanagar at 8 A.M. and rode to Anandabas where Mr. Chaudhary was waiting for me. Talked to the *raiyats* at length. Returned to Krishnanagar at 1 P.M.

30th January.—Rode from Krishnanagar to Bagula (12 miles), took train from Bagula to Sealdah, arriving at 11 A.M.

Mr. Radice who was Collector of the district from 1901 to 1904 took much interest in the coöperative movement and made some attempts to form societies. In his letter No. 11580, dated 16th July 1902, to the Commissioner, he gave an account of some of these experiments. In the first place he tried a sort of coöperative supply society for the weavers of Santipur (the

largest town in this district). The scheme was, capital to be raised by the issue of 50 debentures of Rs 10 each bearing interest at 6½ per cent., to manage this capital there was to be a committee of three, one a cloth merchant, one a native gentleman of the vicinity who was willing to give his time to the work free of charge and the third the Subdivisional Officer of Ranaghat. This committee was to purchase thread at wholesale prices in Calcutta and give out to approved weavers who were to give over the cloth to the committee to be valued by the cloth merchant and sold in the market; the weavers themselves were to be paid their ordinary wages, the proceeds of the sale of the cloth were then to be devoted (after payment for the thread and the wages) first to the payment of the dividend of 6½ per cent. on the shares, and secondly, all profits over and above were to be distributed ratably among the weavers who had taken part in the transaction.

I will refer to the results of this scheme later.

Secondly, the Subdivisional Officer of Khustea, made enquiries among the weavers in his subdivision with a view to setting up a similar society there.

Thirdly, in Meherpur two coöperative credit societies were started at Pakuria and Nittyandapur. The members paid their entrance fees.

In Chuadanga apparently some enquiries were made but nothing was done.

So far as I have been able to discover none of these societies is at present working. Mr. Chaudbary thinks that the Weavers' Society failed and that it was wound up by order of Mr. Radice and that the shareholders lost some money over it. Concerning this, I will make enquiries. It does not appear that any of the other societies ever commenced business or raised any money beyond the entrance fees. I will also enquire what was done with this money.

The scheme of greatest interest in the district is that known as "The Kailasheshwari Fund" for the organization of coöperative societies.

A sum of Rs. 5,000 was offered by Mr. B. Palchaudhuri of Maheshganj in his letter No. 69, dated 12th March 1903, under certain conditions. Mr. Palchaudhuri expressed the following views:—

- (1) Only a few societies should be started with the money and the villages should be carefully chosen.
- (2) The District Board should administer the fund and should take from the villagers a joint bond for the money advanced.
- (3) The money should be repaid each year, principal and interest.
- (4) The rate of interest should be fixed high enough to prevent those for whom the advantages are not intended from coming in. Mr. Chaudhari expressed the opinion that money should be advanced by the District Board to the members jointly at 9½ and that the members should lend out to each other at 12½ per cent. The balance would go to form the village capital fund.
- (5) The books of the fund to be open to the inspection of the Chairman of the District Board or any one authorized by him.
- (6) To assist the District Board in realizing the advances from defaulting societies the certificate procedure might be put at their disposal.

The District Board of Nadia refused to administer the trust as the Commissioner did not consider that the objects came within their sphere of action.

Mr. Palchaudhuri therefore made the following modifications:—

- (1) The fund to be made over and managed by a board of trust consisting of two *ex-officio* trustees, the Director of Land Records and the Collector of Nadia, and Mr. Palchaudhuri himself or one of his heirs to be nominated by the other two trustees.
- (2) If a Central Board of Agriculture be formed, then the fund might, with the consent of Government, be handed over to it.

This was the state of affairs on 3rd April 1903.

The Commissioner of the Presidency Division replied to this that it would be better if Mr. Palchaudhuri would administer the fund himself as had been done by the philanthropists on the Continent of Europe, but that if he still wished to have assistance from the Government in the management it would be necessary to make the societies conform to the coöperative credit societies Bill which was at present under consideration.

After some correspondence in connection with the formation of the fund, Mr. Palchaudhuri was asked to put in an application under the Charitable Endowments Act and a Notification with two schedules was drafted. Schedule I is to show the numbers of the Promissory notes in which the fund was to be invested, and Schedule II gives the terms of the Endowment. The object of this application appears to be that the Charitable Endowments Act would take the place of a trust-deed and place the endowment under the control of Government.

So far as I am aware, this Notification has not been published, and the cash was handed back by the Collector to Mr. Palchaudhuri, to purchase Promissory notes.

As to the Notification, in the first place the money must be deposited in the Post Office and not in Promissory notes. The fund will have to be drawn upon as a cash account and this could not be done if the money were put into Promissory notes. I have not a copy of the Charitable Endowments Act by me here, but I doubt if the terms of the Act will be suited to this fund. The money cannot be vested in the Treasurer of the Charitable

Endowments, but it must be vested in the Trustees. This is a matter which will require special consideration later.—

Secondly, as to the terms.—M. Pal Chaudhuri objected to the nomination of the Senior Deputy Magistrate of Krishnagar Sadar as the third trustee, as he is the subordinate of the Collector and is not an officer who would have a direct interest in the societies. He has proposed and it has been accepted by the Commissioner that the third member should be elected by the District Board of Nadia.

*Rule No. 5.*—This rule is not workable for reasons stated above. The administrators of the fund must have full power over the drawing of the money.

I have appended draft rules for the fund which will take the place of those in Schedule II.

The first step now to be taken is to ask the Collector to apply to the Post Master to allow an account to be opened at the local post office under the name of the Kailasheshwari Fund for the organization of coöperative credit societies.

## SCHEDULE II.

### *Rules for the administration of the trust.*

1. The trust shall be called "the Kailasheshwari Fund for the organization of coöperative credit societies in the district of Nadia."

2. The fund shall consist of the original capital of Rs. 5,000 handed over by Mr. Palchaudhuri of Maheshganj, together with all profits accruing from the administration of the fund under the rules following, and such other sums as may be added thereto by the trustees, from time to time, temporarily or permanently.

3. The object of the fund is to advance money to coöperative credit societies registered under section 6, Act X of 1904, within the district of Nadia, in order that the formation of such societies may be encouraged, at a rate of interest to be fixed from time to time by the trustees.

4. The trustees shall be the Chairman of the District Board of Nadia, Mr. B. Palchaudhuri or in his absence one of his heirs, successors or assigns elected by the two remaining trustees, the third trustee to be a resident of the district elected by the District Board of Nadia. The Chairman of the District Board to be the Chairman of the Trustees.

5. The trustees shall transact their business at meetings to be held from time to time as may be arranged at Krishnanagar and shall record their proceedings in a book to be kept for that purpose. Two of the trustees will form a quorum, but a full meeting of trustees may delegate any particular duties to one of their number, for a specified time.

6. The trustees are to form rules for the conduct of their business.

7. All monies in the hands of the trustees to be deposited in such bank or banks as may be approved by the Registrar.

8. The accounts of the fund to be audited by the Registrar at least once a year, or by such officer as the Registrar may appoint for this purpose.

9. The provisions of the Co-öperative Credit Societies Act or any rules framed under that Act will apply, as far as possible, to the administration of the fund.

10. The trustees of the fund are to be authorised to receive deposits from outside at rates of interest to be fixed by the trustees, and such deposits are to be applied in a manner similar to the original fund, all profits on such deposits are to be added to the original fund after the payment of the interest fixed.

During my stay at Nadia I had much conversation with Mr. Chaudhuri concerning the administration of the Rs. 5,000 which he has given for the endowment of a central bank to encourage and finance coöperative credit societies in the district. Mr. Chaudhuri had chosen three villages where he thought the scheme was likely to succeed, all within his own *patni* tenure, *viz.* Maheshganj, Bahadurpur and Anandabas. All three villages are easily accessible from Krishnanagar, and Mr. Chaudhuri will himself be able to watch the development of the societies. I visited these three villages and explained as length the scheme to the *raiyats*. In each village they have agreed to give the scheme a trial and they are now to choose carefully the first members of the societies and to send these lists to Mr. Chaudhuri who will forward them to me. I explained to the *raiyats* the rules which I had drawn up for them and have promised to have these translated into Bengali and sent to the villages. The *raiyats* of Nadia are very suspicious and asked many questions showing that they took an intelligent interest in the proposals, and they did not come forward till they had discussed the scheme amongst themselves. The rates of interest in this part of the province appear to be very high. Nothing under 25 per cent. appears to be known, and the common rate appears to be 37½ per cent. The *raiyats* said that if money could be lent to them at 12½ per cent. it would be a great boon to them. They were very suspicious about the joint responsibility, but when they realized that the management would be entirely in their own hands, they were willing to undertake it.

Nothing now remains to be done in Nadia till Mr. Chaudhuri sends in the lists of members and the applications to be registered. Rules and instructions will be printed in Bengali and sent to the villages and to Mr. Chaudhuri. Meanwhile the question of the trust will have to be considered, and for this purpose it will be necessary to draw up a note



for the Commissioner and possibly to call upon him in order that his order for the purchase of promissory notes may be withdrawn.

I also explained the scheme at length to Rai Madhusadhan Chaudhry Bahadur, the District Superintendent of Police, who promised to lend his assistance.

#### MUZAFFARPUR.

31st January.—Left Howrah at 9-30 P. M.

1st February.—Arrived Muzaffarpur 11 A. M. In the afternoon had interviews concerning the central bank with Babu Jogendra Nath Mukerji and Mr. Christian. In the evening I saw the Hardi Babu.

2nd February.—Rode to Phulwaria and back, distance 20 miles; talked to the *raiya*s and explained to them the changes in the management of their bank which it was intended to introduce from April (Chait). In the afternoon I had a meeting concerning the central bank, but it was not well attended and the people interested had not had an opportunity of discussing the scheme. Under these circumstances it was impossible to do anything. Later, I held a meeting of the *amlah*s as they had expressed the desire to form a society amongst themselves.

3rd February.—Rode to Hardi and back, distance 44 miles. Talked to the people of the society and explained to them how they were to manage their society themselves. Returned to Muzaffarpur at 2 P. M. Left Muzaffarpur at 11-45 P. M.

In this district there are at present only two societies working, those of Hardi and of Phulwaria. In addition to this there is the scheme of some influential gentlemen, Native and European, for the establishment of a central bank and the scheme for the establishment of a society amongst the *amlah*s of the courts.

I visited Phulwaria, and talked to the *raiya*s. This bank was started by Mr. Christian the local Opium Agent. I have explained the principles of the original scheme in a previous note and have shown wherein it fails. Mr. Christian has agreed to hand over the society to be reconstructed on lines which will enable it to be registered under the Act. I explained this to the *raiya*s, but told them that the old scheme would continue till the end of the agricultural year. In Chait they are to hold a meeting of all the members at which they will make arrangements for carrying on the society under the new orders. In the first place four villages are concerned, all more or less distant from each other, and the *raiya*s at once recognized the necessity for being jointly responsible for their own village only, and not for other villages. This means the establishment of four banks in place of one. Mr. Christian informs me that Mr. Gregory, who financed this bank, is quite willing to let his money be used on condition that the societies pay 6½ per cent. interest to him yearly. If other funds are necessary to finance the banks under the new order of things, they will be found by the Registrar, either locally or otherwise. The accounts of the present society will be audited by the Registrar and the reserve fund will be divided amongst the four new societies according to the number of members in each village. At the general meeting of the *raiya*s (at which I will try to be present) a *punchayat* will be appointed for such village and supervisors. The *punchayat* will keep their own accounts and do all the business themselves.

Kishen Prasad Narain Singh of Hardi advanced a sum of Rs. 1,000 to his *raiya*s for agricultural purposes, but he did not understand thoroughly the principles of coöperation. This loan of his was managed by his own *amlah*s who lent out to such *raiya*s as they thought sound small amounts for the purchase of cattle for cultivation, etc. The Babu's staff saw to the collections when any were made and the *raiya*s had really nothing to do with the society beyond receiving the money. *Raiya*s were chosen from villages widely distant and the voice of the so-called members was not heard in the distribution of loans. I have explained all this to the Babu and the *raiya*s and have shown them what is wanted. In the first place here too the society will have to be split up, each village having a society to itself with its own *punchayat* and its own responsibility. In four or five villages there are only one or two members. If therefore no more members come forward in these villages, it will be necessary for these members to resign, but if they can get as many as 10 or 12 others to join them then a new society can be opened in their village.

The Babu informed me that he lent some Rs. 5,000 or Rs. 6,000 every year to the well-to-do *raiya*s at a rate of interest not exceeding 12 per cent., but in sums not less than Rs. 200 or Rs. 150. When he realised the principles of these coöperative credit societies he said that he would be willing to lend money to any of his villages (so far as his means allowed) in sums of not less than Rs. 200 at a time at 12 per cent., provided the villagers took all the trouble of collection and of the accounts. Such a course would pay him well and he would encourage the formation of societies in all his villages on these lines, quite apart from any idea of doing what he thought would please the Government.

The people of Hardi also jumped at this and said that if the Babu would lend them money in this manner they would willingly pay 12 per cent. to him and one anna per rupee *salami* into the village fund. This payment of one anna *salami* on the loan seems to be a custom of this part of the country and it will do no harm to let the people try it. There are some apparent disadvantages. If a man takes a loan for only 6 months he pays the same interest as a man pays for a loan for 12 months, but ordinarily loans would all be for 9 to

12 months, so that this would not be felt much. As the people proposed this themselves and seem to understand it, the scheme will be tried in the Hardi Babu's villages and we will see how it develops. I will draw up special rules for these societies and encourage the Babu to carry out the idea. If it succeeds, the idea might have a great future. The management by the Babu will go on in the meantime and the new arrangement will come into force in Chait after the books have been audited.

Mr. Christian informed me in conversation that after a year he intended to retire from Government service and to take up a banking and zamindari business in Muzaffarpur, and that he would be willing to do all he could to help on the cooperative movement. If the chances of success were good, he might be able to finance societies after they had been registered and started, and in the future when the number of societies in the districts permitted of it, he would be glad to act as a District Manager or Inspector on a small salary.

Concerning the central bank, I was disappointed, as the people had unfortunately not had sufficient time to discuss the scheme drawn up by Jogendra Babu, and the alternative scheme drawn up by me. It was therefore not possible to do much. I will discuss the two schemes in a separate note later. Meantime, I have left the two schemes with those interested and when they have discussed the matter amongst themselves, I will be able to assist them again. A matter of this kind cannot be forced on. The people interested in it must discuss it well themselves and be sure of their ground before any definite steps are taken.

The amlah of the Collector's and Judge's court seemed keen and were anxious that a society should be opened for them at once. I read to them the rules I had drafted for them on the basis of Sir E. Law's Scheme for Simla. The draft I left with them to discuss. Then as soon as they have settled their rules definitely and have appointed a committee of management, they are to apply to me again. I have promised to find them a guarantee (not capital) to the extent of Rs. 500 for three years against which they will be able to borrow money to assist them while they are collecting monthly subscriptions amongst themselves.

#### SARAN.

4th February.—Arrived at Chapra at 6 A.M., left Chapra at noon and visited the societies at Jalalpur and Umdha. Returned 6 P.M. Distance travelled 20 miles.

5th February.—Left Chapra at 6-25 A.M., arrived Ekma at 7-36 A.M.; rode to Parsa (3 miles), inspected the society there and talked to the *raiyats*. Rode direct to Chapra (21 miles), arrived noon. Left again at 2 P.M., inspected the bank at Telpa (3 miles), returned to Chapra at 5 P.M.; total distance travelled by road 30 miles.

6th February.—Left Chapra at 6-25 A.M., arrived Siwan 9 A.M., by train, travelled by road to Baraipatti, 7 miles, and thence by road *via* Hathwa to Partabpur, 15 miles.

7th February.—Travelled by road from Partabpur to Tirbirwa (Gopalganj), 23 miles.

8th February.—Travelled by road from Tirbirwa to Siwan, 22 miles, thence by mid-day train *via* Mokamah, Asausole and Adhra to Bankura.

In Saran there are four societies working, one of which has never worked at all and two, which it is proposed to advance money to, now.

At Umdha I found the *raiyats* were taking a keener interest in the working. Concerning this society I wrote in my last note on this district. I again explained the new arrangement under which they were to manage everything themselves and keep their own accounts in their own forms. They had many questions to ask showing that they had been talking matters over since I was here last. The new arrangement will take effect from the commencement of Chait.

At Jalalpur I only found a few of the members, as the others had gone off to the Ganges on a bathing expedition. I explained what was wanted. The Hathwa Raj has advanced Rs. 400 to this bank at 6½ per cent.

At Parsa I found the *raiyats* took quite a lively interest in their work, due evidently to a sympathetic Circle Officer of the Raj. Here again several villages are mixed up and all non-Raj *raiyats* are excluded. The village only partly belongs to the Raj. When I explained that I proposed to have one bank in each village and that only people in the village would be allowed into the bank, they were all much relieved and said that the society would prosper much better under these circumstances. The Society was managed by a large *punchayat* of 12, all of whom understood what was required of them. The accounts, however, were kept by the patwari and none of the *punchayat* understood them. Capital of this bank is Rs. 800 advanced by the Raj.

The Telpa Society was started by Gulab Chand, an old Marwari of excellent character, who advanced Rs. 800 at 6 annas per cent. to his own *raiyats* in two villages. Here again the villages were some miles apart, and it will be necessary to have two banks. The old man seemed fond of his *raiyats* and the patwari was on excellent terms with them. The society was managed by the patwari and the gomastha with the assistance of three villagers.

#### GOPALGANJ.

Mr. Swan, the Subdivisional Officer, met me on the road, 6 miles out of Siwan, and we went together to the village of Baraipatti where the malik Janki Prasad, a member of the District Board, had collected the *raiyats* of his village to hear the scheme. Apparently the malik had been explaining to his *raiyats* that Government was going to lend them money

at 6½ per cent. without the troubles connected with an application under the Taccavi rules, for at first it was very difficult to get the people to understand anything. After some patient talking, however, they came to understand and we remained for nearly two hours discussing the matter with them and answering their questions. Finally, they said that they would like to try the scheme and we left them to discuss matters amongst themselves and told them that if they really wanted to try they could go to the Subdivisional Officer and tell him while he was camping in their neighbourhood.

From Baraipatti I went over to Partabpur where I met Mr. Macdonald, the proprietor of the sugar concern there.

Next morning Mr. Swan and I travelled by road to Gopalganj where the people of Karharia village, to whom the scheme had already been explained, were awaiting our arrival.

They had understood the scheme thoroughly and had chosen their members and their *punchayat* and supervisors. The Hatwa Raj had sent Rs. 500 to the Subdivisional Officer to be advanced to the society when it was started at 6½ per cent. Mr. J. Mackinnon, the proprietor of Maniara and the ticcadar of the village and his assistant Mr. Harry Russell accompanied us and we carefully explained the rules to the people and talked to them till it was clear that they fully understood. They were then told that the next thing for them to do was to sign a paper to the effect that they wished to be registered as a coöperative credit society under the Act. When this has been done and they have agreed to the rules framed by signing their names or putting their marks under them, the money will be advanced to the society. Meanwhile Mr. Swan is to apply to the Collector to have an account opened in their name at the local post office and to deposit therein the Rs. 500 lent by the Raj.

I discussed the scheme and its prospects with Mr. Mackinnon who was anxious that I should come over to his village, Maniara, and start another society there. I have promised to visit this village next time I come to Saran.

On the following morning I returned to Siwan.

#### BANKURA.

8th February.—Left Gopalganj at 8 A.M., rode to Siwan, 21 miles, and took the mid-day train for Mokameh. Changed into the East Indian Railway and travelled to Bankura by way of Asansole and Adhra, arriving at Bankura at 10 A.M. on the 9th.

9th February.—Travelled by road to Gangajalghatta, 16 miles.

10th February.—Returned to Bankura by road (16 miles) and took train for Midnapore.

The work that has been done in this district is summed up in the following letter, dated 13th January 1904, from the Collector, to the Maharaja of Burdwan, Babu Rajnarain Chandradharjya of Maliara, Babu Jadbando Singh of Simlapal, Manager of Tagore, Babu Benimadho Banerjea, Babu Anantlall Banerjea, of Ajhodya, Rai Ram Bandu Chatterjea, Bahadur of Kaohka, Jogendra Nath Singh Deb, of Kuchiakoli, Babu Kulodha Pada Mukerjea, Pleader of Bankura, Bindoo Bihari Mandal, Pleader of Bankura, Basant Kumar Neogi, Pleader of Bankura, Kalinath Chatterjea, Dootor of Palasdanga.

"The agricultural depletion in the district attracted my notice since I assumed charge of the district in February last. During my recent tour in outpost Saltora, I made inquiries about the indebtedness of the agricultural classes of that outpost and found that the load of debt in that jurisdiction is very heavy on the *raiya*s and it is also a heavy burden on the resources of the people. I also believe a similar state of things exists in many other parts of the district. Such being the case, I think the only remedy lies in the introduction of a systematic and strenuous banking system which will encourage thrift among the people and will also gradually extricate them from the clutches of the money-lenders. I in consequence intend to start some agricultural banks in selected localities, but any such undertaking requires the faithful coöperation of the liberal zamindars and influential gentlemen of the district. To discuss the subject and to form an organization society as a preliminary to starting agricultural banks, I intend to convene a public meeting of the leading nobility and gentry of the district on the 15th February 1904 and I earnestly solicit your presence at the meeting."

I am informed that some 20 people attended this meeting and it was resolved that three experimental banks should be started at Kaohka (to be looked after by Rai Rambandu Chatterjea), at Maliara (Babu Raj Narain Chandradharjya), and at Palasdanga (Dr. K. N. Chatterjea). Some of the gentlemen present subscribed a sum of about Rs. 100 for the formation of an organization society and this money is now in the Post Office Savings Bank in the name of the Collector. Nothing, however, has been done up to the present. A second meeting was held, but as the Act was then in the Council, it was decided that it would be better to wait till it had become law.

I was unable to visit any of the places mentioned by the Collector, but as no steps appeared to have been taken, this did not matter very much. The places had been chosen because there was an influential man at each of them who would be likely to look after the institution; and for no other reason. I visited Gangajalghatta, the thana of the Northern tract, where Mr. Gupta thought there was most need for coöperative credit societies and there I talked with the people. It was the *chaukidari* parade day, and the *dafadars* and *chaukidars* of the thana were present and showed much interest in the scheme. The *dafadars* asked many questions and they said they would discuss the matter in their villages as they thought that many of the villagers would be ready to give the scheme a trial.

## MIDNAPORE.

10th February.—Left Dankura at 9-30 A. M. by train and arrived at Midnapore at 1-30 P. M. Attended the agricultural show.

11th February.—Left Midnapore at 8 A. M., by train for Kharagpur. Travelled by road from Kharagpur to Arasini in Bolarampur (3 miles) and again by road to Midnapore (9 miles) arriving at 2 P. M.

12th February.—Left Midnapore at 4-30 A. M. and arrived at Howrah at 8-30 A. M.

I went out to Bolarampur, the Government estate, with the Khas Tahsil Deputy Collector, Babu Jamani Nath Mitra. There were some 20 or 30 of the *raiyats* present; a much smaller number than appeared on the last occasion, but on this occasion all those who came were much interested. I went over the scheme in detail with them again and found that they had appreciated it. They had drawn up a list of those who were willing to join the society and they stipulated that the society should be confined to the *paras* of Arasini, Kasijora, Paiknagari, Amlataria, Pratabpur and Keswa. These tolas are all adjacent, except Kasijora which is situated at a distance of less than one mile from Arasini and the fields of the inhabitants of which are interlaced with the fields of the inhabitants of the other tolas. If the other villagers want to have a society they can form another with head-quarters at one of the larger tolas in the south. I read out the rules which I had drawn up for the society and Jamani Babu explained them in detail. After answering some questions, I was sure that they understood their responsibilities and informed them that they would first have to sign a copy of these rules in Bengali and apply to be registered as a society. They would also have to hold a meeting of all the members and collect the entrance fees (which they fixed of their own accord at one rupee), and appoint the *punchayat* for the next year and make out a list of the loans each is likely to require during the year. Meanwhile the Khas Tahsil Deputy Collector will apply to the Collector to have an account opened in the name of the Society at the Kharagpur Post Office.

The people of Khelar, a village just outside the Khas Mahal, were anxious that I should come to their village and the principal *aymadar* of the estate offered to open a society in his zamindari near Naraingurh. In both cases the people were told to go and explain the rules as they had heard them explained and that then if the villagers sent in a petition to the effect that they agreed to these rules, I would come back in April or thereabouts and help them to get started.

On my return to the station the *amlah* of the Collectorate came forward with their scheme for an Urban Limited Liability Society to benefit the poorer *amlah* and to afford a safe investment for their savings. I drew up a set of rules for them founded on the Simla rules and they have taken these away to discuss amongst themselves.

The Manager of the Nayabasan Estate of the Raja of Maurbhanj called in the afternoon and was anxious to hear about credit societies with a view to experimenting in Nayabasan. I explained to him and he has promised to consult the Raja and see what can be done.

## RANGPUR, DINAJPUR AND PURNEA.

## Diary.

13th February.—Left Sealdah at 4-30 P. M. by Darjeeling Mail.

14th February.—Arrived at Kaunia 6 A. M. Trollyed to Teesta Junction, 3 miles: visited the village of Gokunda. Left Teesta Junction at noon by train; arrived at Rangpur at 2-30 P. M. Rangpur station to Collector's house, 3 miles. Addressed meeting in the Town Hall.

15th February.—Received visits from the District Engineer, the Assistant Manager of the Tajhat estate and others. Assisted the Settlement Officer with the settlement work on the Panga estate.

16th February.—Left Rangpur at 6 A. M. (distance to station 3 miles) arrived Badarganj station 8 A. M. Travelled by road to Saidpur (15 miles); on account of the inclemency of the weather was unable to visit Kaya village; took goods train from Saidpur to Nilphamari; travelled by road from Nilphamari to Jayaganj (8 miles) inspected the Dharma Gola of Rai Parvati Sankar; Chowdhry returned to Nilphamari at 10 P. M. (distance travelled 8 miles). Took Darjeeling Mail for Purnea at 10 P. M.

17th February.—Arrived Purnea station 10 A. M.; station to Collector's house, 4 miles. Held a meeting of the members of the Purnea Central Bank and assisted in its reformation on a coöperative basis. Visited Father Knockaert's house and talked to the headmen of the Sonthals among whom it is proposed to start a coöperative credit society. Travelled by road to Mauranga and inspected the society there; returned to Collector's house, distance travelled, 4 miles.

18th February.—Discussed plans with the Collector, Mr. Lea. Left Purnea at 1 P. M. for Monghyr. Distance to station 4 miles.

## RANGPUR.

At three points in this district attempts have been made to form coöperative credit societies; at Kaya in the Nilphamari subdivision, at Uligur in the Kurigram subdivision, and at Gokunda in the Sadar subdivision.

Gokunda is situated within a few yards of the Teesta station, the junction for Kurigram. In 1902 Rs. 495 was collected for the financing of a society in Gokunda, and this sum has been deposited in one of the local banks (the name is not mentioned in the papers.) The Subdivisional Officer made several attempts to start a society but without success, and at the end of last year some of the subscribers filed a petition before the Subdivisional Officer, requesting that the money should be refunded as nothing had been done. The Subdivisional Officer reported that as the public were quite apathetic there was no hope of establishing a society and he recommended that the money should be returned. The matter was allowed to stand till I arrived.

I visited the village and enquired concerning the money which had been deposited. When the money was collected, no one knew quite what the scheme was, and consequently the people were, as the Subdivisional Officer reported, somewhat apathetic. I have talked to the people and explained what is wanted. In the audience present at the village were one or two large jotedars, some of whom had subscribed towards the society and they at first took a keen interest in the matter. Later, however, I discovered that they did some *mahajani* themselves with the actual cultivators of their jotes, and when they realized that the people who were to be the members of the bank were going to do the management themselves, and that therefore the jotedars would not have matters all their own way, they were not so keen about the society.

I think that they realized that a society started on the lines indicated would assist their cultivators to become independent and therefore the scheme did not appeal to them. The actual cultivators on the other hand become more interested, as I went on, and in the end they expressed a desire to try the scheme. I told them to think the matter over, and, if they considered that the society would be of benefit to them, they could tell either the Subdivisional Officer or the Collector the names of those who would be willing to take the joint responsibility, and when they were ready to do this, I would return and assist them to start the society.

In the meantime therefore we must wait to see what the *raiya*s do. If they come forward, I will arrange to return again, and, if the members have already subscribed anything, this money will be deposited in the society, but if those who have already deposited money are not willing to join and are not willing to let their money remain at deposit in the society, then it will be returned to them. The interest which has accrued in the meantime will be added to the capital of the society when it is started. If the *raiya*s do not come forward, I will hold a meeting of the subscribers when I next visit this district and will consult with them as to what is to be done with the money. Those who wish it to be returned will get their deposit back and those who wish it to be used for a bank in another place will be allowed to let the money remain in deposit. Meanwhile the Collector might see that the money is put in the Post Office Savings Bank.

*Ulipur.*—This village is situated at a distance of 25 miles by road from Rangpur and 12 miles from Kurigram station. I have not seen the original papers connected with this society, but from the notes in the office of the Collector of Rangpur, it appears that the society was established in the year 1902 with a capital of Rs. 500 collected by the Naib of Bahirband, but as the local people did not appreciate the scheme, no progress has been made.

The Collector might enquire what has been done with the funds collected, and, if necessary, invest them in the Post-Office in the name of the Ulipur Coöperative Credit Society. When I return the same procedure will be followed as in the case of the Gokunda deposits. I was unable to visit the spot, as there was only one train in the day to Kurigram and I would have been prevented from visiting more important centres.

*The Kaya Society at Nilphamari.*—This society was established on 1st April 1902 with a capital of Rs. 200; the balance in hand is Rs. 31-5-6. It is not clear from the papers whether this Rs. 31-5-6 is included in the Rs. 200 or in addition to it. The Subdivisional Officer reports that there is at present no demand for money, as the scope of the society's operations is limited to agricultural matters. He suggested the extension of the area of the society's operations so as to include the villages of Shonakhuli and Boltagari.

On my way from Teesta to Rangpur I met the Dewan of Cooch Behar with whom I had a long conversation concerning the scheme.

At Rangpur I addressed a meeting of zamindars and others interested in the movement and explained to them the principles on which it was hoped to run the village societies.

In the first place I explained to them that the zamindar with good security is able to borrow money at a rate of interest varying from 12 per cent. down even to 6 per cent., but that at present the *raiya*s whose small security was just as good for the amount which he wished to borrow had to pay rates varying from 37½ to 75 and even greater. The reason was in the first place that there is no competition with the bania in the village and secondly that it is impossible for anyone but the village bania to deal with such small amounts. The present scheme is to get the villagers to join together and at the beginning of the year make out a list of all their requirements for the ensuing year and then agree to borrow the money in one lump-sum for the whole village. The villagers will then do the whole of the business connected with this sum; they will divide it out amongst themselves, keep simple accounts showing exactly what has been done with the money, collect the principal and the interest, and in the case of any default, pay the loss out of their annual profits, or if that be not sufficient, pay it by dividing the loss amongst themselves. In fact the people who agree to try this scheme will be jointly and severally responsible for the money lent out to them as a whole. In this way the village will be able to borrow sums of Rs. 500 up to

Rs. 1,000 or more, if necessary, at a rate of interest varying from 6 per cent. to 12 per cent. The villagers will then lend the money out to each other at a rate 6 per cent. higher than that at which they borrow it, and the profit which accrues will first be used for paying the small expenses of management, and secondly, for the provision of a reserve or capital or sinking fund. As this sinking fund increases, the village will be able to do without borrowing from outside, as they will have a fund of their own from which to borrow. When this time comes, the members will be able to obtain loans at a rate of 6 per cent. or even less.

The procedure is as follows: when 20 people have agreed that they are willing to take the joint responsibility they will sign a copy of the rules of the Village Society in their own language and apply to be registered as a cooperative credit society. They will at the same time state what amount of capital is needed in the village for the next ensuing year and what amount is subscribed by the members themselves. The Government will deposit, free of interest for three years, a sum equal to that deposited by the members themselves. If this total does not suffice, the remaining capital I shall try to borrow for the society at such a rate as I can from outside sources. The rate will not be less than 6 and not greater than 12 per cent. The members will then elect a committee of five to carry on the ordinary business of the society for one year, and also three supervisors for the same period. The committee appointed will meet once a month on a day and at a place to be fixed by the members and business will be done only on those days, unless all the committee and the supervisors agree that it is necessary to have extra meetings. When any member wishes to borrow from the society he presents a written petition to the committee who consider: (1) whether the loan is necessary, (2) in what instalments it will be repayable, (3) the two members who are willing to go security for the loan. The results of these deliberations are stated on the back of the application and the money is handed over to the member in the presence of one of the supervisors and a receipt is taken on the back of the application. If the member misapplies the loan, the supervisors warn the committee, who at once call upon the man or his sureties to make the sum good. If he refuses, his name and that of his sureties are all struck off, and if sufficient social pressure cannot be brought to bear on the defaulters, then they must be sued in the ordinary way in the civil court. Every month the supervisors report to the committee concerning the sureties and the borrowers, so that if any man is breaking the rules or has met with loss likely to affect his credit with the society it is known at once. The area with which each of these societies deals must be so small that every member knows exactly what the others are doing all day long; if the cattle of a member die from disease the fact is known to all; if his crops are attacked with blight, every other member sees it. It is only by dealing with a small area of this kind that the members will be willing to take a joint responsibility.

The accounts to be kept will be of the simplest description; a *jamakurch* or daily cash-book a *rokar bohi* or ledger showing the account of each member, and finally a file of applications. These are all that are necessary.

Finally, the reserve fund or sinking fund to which I referred above must be indivisible among the members. If in years to come the members agree that a society is no longer necessary, then the money can be used for some work of public utility to benefit the village, but no portion of it can be used for any individual benefit.

I had interviews with the local District Engineer who has been in the district for 23 years and who expressed his interest in the movement and offered to render assistance in any way in his power. Babu Satyendra Nath Sen, the Assistant Manager of the Tajhat estate, at present under the Court of Wards, also offered his assistance. Mr. Pope, the Manager, was present at the address in the Town Hall.

On the morning of the 16th I set out with the Collector to inspect the Kaya bank which is situated near to Saidpur. Unfortunately when we got to Dadargunge the rain was heavy and we were prevented from carrying out our intention. I went on, however, as it was necessary for me to reach Jaipur in Dinaipur. The Collector will inspect Kaya as soon as possible and explain to the people the lines upon which it is intended that these societies should be run.

#### DINAJPUR.

At the invitation of Rai Parvati Sankar I visited his dharmagola at Jaygunj. The day was unfortunately most unfavourable, as the rain was heavy and the weather intensely cold. Few people therefore put in an appearance at Jaygunj, and I was not able to go into the villages and find out from the people themselves exactly what they thought of the scheme.

The scheme is roughly as follows: a meeting of the villagers in a defined area is held, and if the majority decide that a dharmagola would be a good thing, they appoint five men of the village as a committee and one man as goladar (who is also a member of the committee). The committee then makes out a list of the householders in the area agreed upon, and the quantity of culturable land which each possesses. This list is read out to the assembled villagers, and the punch hear objections as to the accuracy of the details. The villagers then agree upon a rate per bigha at which each household is to subscribe to the gola. This rate must not exceed 10 seers per bigha (i.e., 30 seers an acre), and if any one is unable to subscribe this amount his case is considered by the committee. The village is then formed into two classes, contributors and non-contributors. The villagers then fix the rate per maund of paddy at which the punch are to lend out; (1) to contributors and (2) to non-contributors. The rate must not exceed 15 seers per maund for contributors and 20 maunds for non-contributors, and the rates

must not exceed those prevalent in the locality. The *punchayat* then proceed to collect enough money to build a gola from the members or others. The grain is deposited in this place and the goladar has one key and one member of the committee another key. If the stock of paddy proves insufficient for the needs of the village, another call may be made upon the members after the next harvest.

All the villagers, whether contributors or not have the right to attend all meetings, but only contributors have the right to vote.

The following books and registers are maintained :—

1. The minute book (called Itibas khata).
2. The book of rules (Niyamabali khata).
3. The stock book (Amdani khata).
4. The Jams-karrah, showing all transactions as they take place.
5. The Ledger (khatian).
6. The Hatchita, a copy the ledger account written up by the borrower himself.
7. The annual balance sheet (Nikhashi khata).
8. The inspection book (Mantabya khata).

No person can obtain a loan from the gola unless he is in actual want of seed or food. Two of the *punch* then enquire into the applicant's circumstances, and pass orders on his application. The loan must be repaid with interest in paddy at the end of the season. No loan can be made to any one outside the prescribed area.

No person shall be given renewals of a loan for a term exceeding two years, except on the ground of the total failure of his crop.

When the stock of paddy has increased to 1,000 maunds the *punch* do not lend more than 250 maunds in the year following, and the remaining 250 maunds is kept in the gola as reserve stock. There after the *punchayat* add 250 maunds per annum to the reserve stock till a reserve of 2,000 maunds has been accumulated, or until such quantity has been accumulated as, in the opinion of the villagers, is sufficient to feed the village for six months in case of a total failure of crops.

To prevent deterioration of stock the *punchayat* are authorised to exchange new paddy for old at a rate of 1 maund and 2 seers of new paddy per maund of old paddy. All householders within the village have a right to exchange paddy. The stock of paddy is weighed once a year in presence of the villagers and the *punch* certify the total found. The balance sheet is then written up. If the percentage of wastage is too high, the *punch*, if unable to explain it, must make it good. The percentage to be paid to the goladar is then fixed.

The villagers are encouraged to make donations to the gola on all festive occasions.

All breaches of the rules are to be punished by social penalties. The members have no right at any time to divide the proceeds of the gola amongst themselves.

The people who were present took a keen interest in the affairs of the gola and the committee were all intelligent men who were trusted by the people. The naib of the zamindar also took a leading part in the management. The old zamindar was evidently the father of his people.

When I had completed the inspection, the committee expressed a desire to have a credit society on cash lines in their village in addition to the dharmagola. I explained to them the main lines upon which such a society would have to be run and the differences between it and the dharmagola system, and promised to return another time and assist them to found such a society when they had had time to discuss the matter amongst themselves.

#### PURNEA.

The main reason for my second visit to Purnea was to discuss with the members the new rules which I had drawn up for the management of the Purnea Central Bank. I had sent them a draft of the rules for their consideration some time before. The meeting of the members was a large one. Almost all the directors were present and some 40 of the members. We went through the rules one by one and compared them with the old rules and the meeting approved them all with some slight modifications. The principal point of difference was that the new scheme did not allow of the lending of money to any but shareholders. The meeting recognized that this was a good innovation, as whenever they had made enquiries sufficient to show that a man was good enough to lend money to, it was unnecessary to make further enquiries as to whether he was good enough to be elected a member. It would also prevent any tendency to lend money to risky outsiders in the hope of obtaining a higher rate of interest. The only other point which came up for discussion was the question of how the society was to lend money to rural coöperative credit societies. It seemed to me that the best way to deal with this would be to allow such societies to become members in their collective capacity and to allow them then to rank and to obtain loans from the society as ordinary members. The Government Pleader, however thought that the Act would not allow of this as it distinctly laid down that only individual persons were to be members. It would therefore be necessary to obtain the sanction of the local Government to such a rule. This is a matter which will be considered separately.

Finally, arose the question of how the old society, which was registered as a company, under the Companies' Act was to be wound up and the new society to be started. I have promised to find out for them what the correct procedure will be.

*Nandanpur Society.*—I then went on to Father Knockaert and talked to the two Chief Sonthals of the village of Nandanpur. On account of the inclemency of the weather and

the state of the roads it was impossible to visit the village, but Father Knockaert will go out soon and explain to the villagers. The two healmen have understood what is wanted.

Father Knockaert informed me that he had already lent the people some small sums of money from the Mission funds to purchase cattle. He was prepared to lend this money to the villagers at 6½ per cent. per annum under the Act. The first thing to do therefore is for him to collect this sum. Then when the villagers have put their marks to a copy of the Hindi rules, which I shall send to them, they must apply for registration. As soon as this has been done, Father Knockaert will deposit his money with them, and I have promised to find at 6½ per cent. any additional funds required.

*Purnea Mission Society.*—When I explained the rules to the Father he was of opinion that it would be impossible to make them apply to the Mission community, as they were not bound together by any common tie, such as held the inhabitants of one village together. The community consisted for the most part of menial servants in the employment of residents of Purnea, and it would be difficult to realise anything from them. The members of the community themselves whom I saw considered that they would be unable to trust one another on this account. Under these circumstances, it would be as well to drop this project altogether.

*Other Sonthal Societies.*—Father Knockaert asked that when I returned next time I would visit two more Sonthal communities in Purnea among whom he worked with the object of starting societies amongst them. He asked if I could hold out any hopes of being able to find them funds if they agreed to the rules. I have promised that, if when I visit the communities, I find that a society is likely to succeed there, I will be prepared to find Rs. 300 at 6½ per cent. to finance two such societies, Rs. 600 in all.

I discussed these projects with Mr. Lea, the Collector, and he expressed the desire to found a similar society in one of the khas mahals situated near to the head-quarters of the district. He will visit the village first and explain the rules to the people, and if they take an intelligent interest in the scheme, he will ask me to visit the village next time I come to Purnea.

#### MONGHYR.

I arrived at Monghyr at 10-30 P.M. on the 18th and left again on the 19th at 10-30, arriving at Howrah at 11-55 A.M. on the 20th.

Mr. Oldham the Collector arranged a meeting of zamindars and others interested at the Agricultural Show, which was opened by the Commissioner on the morning of the 19th. The zamindars from Bakhtiarpur, Chautham and Baltara were present, and I had some private conversation with them during which I gave them instructions for the running of the banks in the villages above mentioned.

There was a fair attendance at the meeting and those who understood English were interested. They were asked to translate what has been said for the benefit of their fellows. Mr. Alim of the Agricultural Department and Mr. Mukerjee were present and they also promised to assist in the way of translation.

In addition to talking to the people about credit banks, I gave them an account of the work done by Rai Pravati Sankar Chaudhuri of Teota.

I met the Commissioner and promised at his request, to visit the zamindari of Mr. Geo. Hennessey in Malda, as the proprietor had expressed a desire to establish societies within the boundaries of his estate.

#### KHULNA.

*21st February.*—Left Sealdah at 8 P.M.

*22nd February.*—Arrived Khulna at 5 A.M.

*23rd February.*—Left Khulna for Darisal at 6 A.M.

Mr. Ahmed the Collector had written to me concerning the lamentable condition of the tenantry in his district and had asked me to come and see whether anything could be done to assist them by means of coöperative credit associations.

At Sathkira the subdivision of the district on the side of the 24-Parganas, the Subdivisional Officer, Babu Jagat Chandra Bose, in 1901, published a pamphlet entitled "Village Banks in India." In this he refers to the District Loan Offices in the Province and advocates that they should be assisted by the Government in their laudable endeavour to bring cheap credit to the cultivator. As I had never inspected the working of any of these loan offices, I requested the Collector to arrange to let me see the Directors of the Khulna Loan Company, Limited.

This company was started in 1887 with a capital of Rs. 15,000 in shares of Rs. 10 each, and I am told its avowed object was to bring cheap credit to the people and to thus prevent them from falling into the hands of the money-lenders. The capital of the bank is now close on Rs. 45,000 and the shares stand (I was informed) at a considerable premium, the last transaction having been at Rs. 18 per Rs. 10-share. Money is lent on mortgage at rates varying from Rs. 1-9 per month (18½ per cent.) for small amounts up to Rs. 100 to 12 annas or 9 per cent. up to Rs. 10,000 and 10 annas above that. All expenses (those of local enquiry, if necessary, included) are of course borne by the borrower. The rates on



note-of-hand are somewhat higher, from Re. 1-9 up to Rs. 200 to Re. 1 up to Rs. 2,000 and thereafter the rates are almost the same as above.

So far as I was able to judge from a rough questioning of the Secretary and Manager, the majority of the loans are for small amounts up to Rs. 150 or Rs. 200. The total number of loans outstanding is Rs. 9,11,107 and the total number of the loans is 4,600, giving an average of Rs. 198 per loan. The majority of the business therefore is carried on at a rate of interest not far short of 18½ per cent. Interest is allowed on fixed deposits only, but the term may be as low as seven days. For deposits for one year 8 annas per cent. or 6 per cent. per annum is allowed, for six months 5½, for three months 4½, and for seven days 3½ per cent. I gathered from conversation with the Manager that the majority of the deposits were for the longer period.

Since the commencement of the Company the dividends have varied from 15 per cent. to 18 per cent., the last dividend was 17½ per cent.

When I enquired concerning the class of people to whom loans were given, I found that the bank did not lend to *raiyats* because the *raiyat* had no right to sell his occupancy right in the land and this the bank seemed to consider a distinct want.

This then is practically a joint-stock mahajani business, lending money on good security. The interest rates are high, but are much lower than those of the village mahajan. The great drawback to the business is that it constitutes an easy method for obtaining a cheap loan. Facile credit has been the destruction of many countries, and from what I gathered, this is the difficulty in Khulna. When it is easy to borrow and there is no check on the use to which the money is put, the low rates encourage the would-be borrower to see what he can get out of the bank without any thought of the morrow. The bank thinks only of the security the man has to offer and swallows up what property he has. I do not blame the bank in any way. It is doing good business and to many a loan at 18½ per cent. is a great boon. The reserve fund of this Company amounts to Rs. 16,165. The Company is in possession of property, either revenue-paying or revenue-free to the value of nearly Rs. 56,000. With the exception of the value of the office (Rs. 4,000) this property has fallen into their hands through foreclosures. During the year interest and principal to the amount of Rs. 2,510 was written off as bad debts and the cost of legal expenses was Rs. 3,665. Total loss Rs. 6,119.

(I see from the balance sheet that the amount of the fixed deposits is as follows: one year Rs. 97,533: for six months Rs. 24,919: for three months Rs. 42,177: for seven days Rs. 78,217: without interest at call Rs. 11,606: total Rs. 2,10,450).

I consulted the Directors and members who were present concerning the prospects of village banks and whether they would be willing to finance them. The village bank business in the first place will not interfere with their business at all as they do not deal with the actual cultivators, because, as I pointed out above, they consider that through his having no saleable interest in the land the *raiyat* has no security. I explained to them at length that the very fact that their interest in the land was non-saleable increased the personal security of the *raiyat* immensely. The *raiyat* holds a right which he cannot sell, but at the same time it is a right which he cannot buy and the *raiyat* will be in very great straits before he will give up the rights held by himself and his forefathers for many years. He will not leave the village for a small debt, and so long as he remains in the village his land bears fruit and his capacity to work forms good security. After some discussion, the Directors present said that if the other Directors agreed in open meeting they would agree to lend say Rs. 500 to each of two village societies at 9 per cent. as an experimental measure. If these societies succeeded they would then see whether the Bank could take up the business of financing village societies. Two likely places will be chosen by the Directors in accordance with the principles laid down, and when the Collector has approved of these, I will return and start the village societies.

After inspecting the loan office, I went on to the local theatre where I addressed a well-attended meeting of zamindars and pleaders and others interested. The District Engineer and some of the Deputy Magistrates were also present and a good sprinkling of the amlahs from the Collectorate offices. I talked to them first about grain banks and then about coöperative credit societies. When I had finished, one pleader got up and brought forward the following criticisms:—

1. As the people will not trust one another, the scheme cannot succeed. To this I replied that it was true that the people in one village would not readily trust the people in another village some distance off, but that it was not proposed in this scheme to ask them to do so. The sphere of each society's operations would be confined not only to one village, but, if necessary, to one *tola* of one village, and that it had been my experience so far that the people of one *tola* who without having to spy on each other knew all about each other, were willing to take the joint and several responsibility.

2. The Government should come and rescue the poor people and lend them money at 4 per cent. borrowing it upon its own guarantee on 3½. I explained shortly the impossibility of such a scheme and also its undesirability.

What we wanted to do was to raise up in India an organization which would be run on absolutely business lines and which would be independent of the Government.

3. The people would never come forward to join in such a scheme as they are not entitled to the profits.

The fallacy of this I showed. Each individual makes his profit outside the society. He obtains the money at a low rate for an approved purpose and from the loan he makes

his own profit. Then the general profits which are credited to the capital reserve or sinking fund go to the members collectively, though they are not divisible among the members individually.

4. Such a scheme, even if it did succeed, would take ten years before any results would be evident. To this I replied that the results after ten years' work will probably not be great, and that it will take 20 years before we can say that it has succeeded, and what is 20 years in India!

I was pleased with the meeting for the people asked many questions showing that many of them sympathised and took an intelligent interest, not only in the scheme, but in the difficulties which would have to be encountered.

The Collector, in his words to the meeting, showed how keen his interest in the matter was, and he invited the people to come and discuss their difficulties with him and he promised to communicate with me whenever necessary.

There is one coöperative credit society in this district situated in the Satkhira subdivision at the village of Labsa on the road from Basirhat to Satkhira. This society can be more easily approached from the Calcutta side, and I therefore did not attempt to go out there from Khulna. The Sub-divisional Officer is Babu Jagat Chandra Bose to whom I referred in the beginning of this note, a man who takes much interest in these matters.

## BACKERGUNGE.

### Diary.

23rd February.—Left Khulna by steamer 6 A. M., arrived Barisal 8 P. M.

24th February.—Left Barisal by launch at 10 A. M., arrived Tushkhali 8 P. M.

25th February.—Left Tushkhali 10 A. M., arrived Supleja 2 P. M. (13 miles).

Left Supleja 4 P. M., arrived near Tushkhali 8 P. M. by launch.

26th February.—Left Tushkhali for Chandpur.

There are at present two institutions in Backergunge called coöperative credit societies. These are situated on the Government Estate of Tushkhali at Tushkhali and Matbaria. The *raiya*s were collected at the outcherry in the former village. Mr. Beatson-Bell accompanied me and explained to the *raiya*s the nature of the societies which it is proposed to establish in place of the two institutions which at present exist.

Mr. Streatfeild, the Collector, inspected the two banks and proposed that they should be closed and the advances made by Government withdrawn. The societies had been in existence for two and-a-half years and the people had not learned the elements of cooperation, and further, the Collector was of opinion that the *raiya*s on the Government estates were not generally indebted, and that they do not require such societies. The doubt was expressed whether the necessary conditions of mutual confidence and general trustworthiness in money matters existed among the cultivators of Backergunge. (Commissioner's letter No. 2451 L.R., dated Dacca, 11th January 1905, and enclosure.)

From an inspection of the books and from the statements of the Khas Mahal staff it appeared that there was no attempt at cooperation. The money advanced by Government is at present lent out to such *raiya*s (drawn from 19 of the 23 villages comprising the estate), as the tahsildar considered suitable. The people themselves had no say in the division of the loans and they did not consider that they were in any way responsible for each others' transactions. There is no coöperation amongst them because the manner in which the khas tahsil establishment manage the societies does not allow for coöperation. The scheme has never been run on coöperative lines and coöperation has not been tried. It would be well therefore to reconstitute these societies on coöperative lines and give them another chance before we say that the scheme has failed.

Mr. Beatson-Bell questioned the *raiya*s first on their indebtedness and then on the possibility of their mutually trusting one another. There appeared to be no doubt that the *raiya*s do borrow money every year, and that they do pay mainly to a local agent of a Dacca mahajan a very high rate of interest. Many of them were not altogether in this man's hands, but much of their yearly profits from their lands went to enrich this man. This is just the class of *raiya*t with whom the experiment is likely to succeed. They are able to clear off their debts year by year and they will be the first to appreciate a low rate of interest, for they will feel its benefits from the very first year of working. When the *raiya*s understood that they were to be asked to trust only those whom they chose out themselves, they said that there would be no difficulty about that, and that in each village it would be easy to find 15 or 20 or more *raiya*s who would be willing to go jointly and severally responsible for the advance made to them. They also realised that it would not be the rich alone who would trust each other, but that, if they knew a poor man to be honest, they would be willing to let him into the benefits of the society if the poor man was not given an advance disproportionate to his means. It was then explained to them that they would have to manage these societies themselves; the money would be handed over to those who agree to trust each other, and the division of the money, together with all collections, whether of interest or of principal, would rest with them. This they said they would be quite able to do. They were warned that while on the one hand there would be no interference on the part of the khas tahsil staff, on the other hand the staff would give them no assistance in the way of collection. The *raiya*s were of opinion that if they were allowed to choose their own members there would be no

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difficulty in the way of realisation. It would practically never be necessary for them to go to court to get their money back. In the present Tushkhali society the members come from the following villages: Barir Char 6, Dhanisapa 50, Algi 8, Badura 72, Fulguri 20, Chota Machua 44, total 200. The Matbaria society is made up as follows: Matbaria 21, Mithakhali 98, Pathakata 63, Potakota 29, Napitkhali 3, Misakhali 1, Chitra 19, Angulkata 8, Andhar Manik 8, Chopekhali 1, Beounre 1, total 262.

Before anything can be done, it will be necessary to close up the books of the present society and to have them properly audited in Calcutta. I will try to have this done as quickly as possible. The khas tahsil staff should therefore collect all the loans made in May last and all interest outstanding, and should pay into the Treasury any arrears of interest due to Government; the balance consisting of the loan of Rs. 3,000 and all entrance fees and profits should be kept in the custody of the Deputy Collector for advancing to the *raiyats* upon the reconstruction of the societies. Meanwhile, the *raiyats* will form societies in the larger villages of all those who are willing to trust each other and to go jointly and severally responsible for the money advanced. These lists should be sent to the Deputy Collector for transmission to me through the Collector. It would not be possible at present to finance societies for every one of the 19 villages from which the members are at present drawn; Rs. 500 for each village will probably be sufficient for a start. We could therefore finance say six villages with the funds at present in hand, and I will find funds for at least three more societies, if necessary. There are only nine villages from which over ten members are drawn at present. This will be quite sufficient for a fairly large experiment, and if *raiyats* show that they are able to appreciate the benefits of the societies and that they are able to manage them themselves, we will start societies in the remaining villages which require them.

It is useless hoping for deposits at present. The *raiyats* do not yet understand the scheme, and consequently they have not sufficient confidence in it to deposit their money, and secondly 6½ per cent. would not tempt any of them to try something new. Later, when we have shown that these societies can work, deposits may be expected, but not at present.

The entrance fees will be credited to the society which the *raiyat* joins and if some *raiyats* are thrown out, through their village not being taken up, the entrance fee can be returned. The profits made in the past by the two large societies will be distributed rateably amongst the new societies. I do not think that it would be worth while keeping a small portion in hand for the villages which at present supplied members but in which there will be no society under the new scheme. It might be possible to calculate the amount to which such societies would be entitled and then deposit this sum at interest in one of the new societies. This can be considered later.

It is true, as the Collector points out, that there is little attempt at accuracy in the accounts, and under the new arrangement, the prospects of accuracy are not greater, but this will be seen to once a year in the office of the Registrar in Calcutta. The different accounts will be checked, all interest properly calculated, and each ledger account or *hisab* started correct for the new year. It will be best that all advances to the societies should be shown in the books of the Collector, and that all payments to the societies should be made through him; this will be arranged for. When the accounts are audited, it will be seen whether any society has not paid its annual interest or instalment of the principal and the society will be informed. Any delay on the part of the society can be prevented by a threat to withdraw the money advanced.

From Tushkhali I went on with Mr. Beatson-Bell to Casperszabad where we met Mr. Caspersz. He had collected some *raiyats* to whom Mr. Beatson-Bell explained the scheme. They too appreciated it, and said that they would like to try the experiment. We tried to induce Mr. Caspersz to advance money to such a society, but he did not see his way to doing so. If the *raiyats* should come forward with a request to have such a society, I will find them Rs. 500 at a rate of not more than 12 annas per cent. It will probably be difficult to run a society so near Tushkhali unless it was done on the identical lines of Tushkhali. Mr. Caspersz expressed his willingness to assist such a society in any reasonable way in his power and agree to keep any money for the society. It would be better however to deposit any funds in hand in the Post Office Savings Bank where interest at 3 per cent. would accrue than with Mr. Caspersz.

In the evening I had some conversation with the Commissioner Mr. Inglis and the Collector Mr. Stratfield on the subject and I informed them of what had been done during the day.

At Barisal I met some of the Directors of the local Loan Office and obtained from them a copy of their last balance sheet. This shows that the office was started with a capital of Rs. 20,000 in shares of Rs. 25 each, of which Rs. 18,000 has been issued. Dividends at the rate of 2½ per cent. have been paid, and the bank is in a most flourishing condition. Interest at the rate of 12 per cent. is charged on all but large amounts for which 9 per cent. is accepted. The average loan appears to be about Rs. 200, so that many of the loans must be for small sums. The working capital of the bank consists of the subscribed capital, deposits amounting to nearly Rs. 1,70,000, a reserve fund of nearly Rs. 23,000. The deposits are interesting; Rs. 1,29,000 is in fixed deposits for one year at 6 per cent.; Rs. 10,000 is in fixed deposits for six months at 5 per cent.; and Rs. 18,000 at 3 per cent. requires seven days' notice. In addition to this, there is a sum of Rs. 20,000 lying in the bank in current accounts upon which no interest is paid. This shows that it is possible to get deposits at low rates of interest in the districts, and from this we may infer that when some 20 or 30 societies on a coöperative basis have proved that they can collect their dues from their members and that they can be considered as safe investments, it will be possible to start a

central bank on a paying basis and to finance the societies with fixed deposits drawn from the districts.

I explained to the Directors whom I saw that if these societies would succeed that they would form a large opening for the profitable investment of the bank's surplus capital. They seemed interested, and promised to put the matter before the Directors at a meeting. I asked them to try the experiment by advancing say Rs. 1,000 to two experimental societies in any part of the district that the Directors might themselves choose, and promised to give them all the assistance I could in starting the societies and teaching them how to run on coöperative lines. One of the Directors, who had some zamindari land of his own in Dakkin Shahzadpur, seemed quite inclined to try an experiment in one of his own villages.

#### COMILLA AND NOAKHALI.

##### Diary.

26th February.—Left Tushkhali with the despatch steamer at 7 p. m. and travelled *ad Barisal* to Chandpur, arriving 27th February at 9 p. m. Left Chandpur with the train at 9-20 and arrived at Comilla at 5 a. m. on 28th February.

Left Comilla at midnight and arrived 1st March at Noakhali. Left Noakhali at 6 p. m. en route for Chittagong.

At Comilla I held a meeting after the District Board meeting. The people were interested, and when the scheme had been explained, the Government Member said that he would be glad to finance two such banks to the extent of Rs. 500 each in his own zamindari. The Dewan of the Maharaja of Hill Tippera, who was also present, asked many questions concerning the manner in which the societies would be run, and said that he would propose that several such experiments should be tried on the estates of the Maharaja which are within Tippera District.

In the afternoon and evening my time was taken up with Settlement Inspection Work.

At Noakhali Mr. Sen expressed much interest in the scheme and collected some influential men to whom I spoke in the District Board office. One of these gentlemen said that he would be glad to finance one such society in his estates. The Directors of the Loan Bank who were present also expressed their interest and seemed inclined to recommend that one such society should be financed by the Loan Bank as an experiment. They are to further discuss the matter with the Collector, and let me know later.

At present there are no such societies, either in Comilla or in Noakhali.

At Noakhali I inspected the Settlement work and went into the question of a new record-room.

#### CHITTAGONG.

##### Diary.

1st March.—Left Noakhali at 6 p. m.

2nd March.—Arrived Chittagong 7 a. m.

3rd March.—Halted Chittagong.

4th March.—Left Chittagong by rail 6 a. m. en route for Dacca.

Discussed projects with Mr. Dixon, the Collector, and with Mr. Luson, the Commissioner. Talked with some zamindars and pleaders in the private room of the Collector at the cutcherry.

There are at present no societies in Chittagong. Mr. Dixon had put forward two projects, one for a village to the north of the Sadar station and another near Cox's Bazar at a village called Idgaon. I have promised to let Mr. Dixon have Rs. 500 from Mr. Hamilton's fund for the latter project. The former project will stand over for the present. Mr. Dixon, when he next visits Cox's Bazar, will explain the rules to the people of Idgaon, and let me know the result.

Mr. Dixon is already well acquainted with the principles of coöperative credit, as he took an active interest in the scheme when Mr. Lyon was on special duty and he established a society in Balasore which is at present working.

Mr. Dixon is of opinion that some system of share capital should be allowed for in the Chittagong scheme, as the people of the district have money and he believes that they would willingly take up shares. This experiment may be tried here so long as the principle of unlimited liability is retained. Rules suited to such an arrangement will be drafted by me and submitted to Mr. Dixon for his approval.

Chittagong holds a peculiar position, for in addition to the fact that the land is very fertile and there is no danger of famine, almost every *raiyati* family has members who either go to sea as lascars or go to Arakan to cut the rice crop there and these members bring back much money in hard cash.

There are few large zamindars of any importance in Chittagong and little assistance can be expected in that quarter in the way of popularizing credit banks.

#### DACCA.

##### Diary.

4th March.—Left Chittagong at 6 a. m.; arrived Dacca at 11 p. m. Put up with the Collector.

*5th March.*—Halted at Dacca. Discussed the question with the Nawab of Dacca. Left Dacca at 11 P. M.; arrived Naraingunge at midnight.

*6th March.*—Accompanied by the Collector of Dacca. Left Naraingunge and proceeded to Goalundo by steamer. Goalundo to Aircha by private boat. Called on the way on the Commissioner of Dacca, who was on his launch. Interview with the zamindars of Teota and with the Subdivisional Officer of Manickgunge. Left Aircha at 10 P. M. and was towed up to Teota. Goalundo to Teota, 6 miles.

*7th March.*—Inspected the two grain dharmagolas at Jaffargunge and Teota. Left Teota at 11 A. M. in private boat and arrived at Goalundo at 3 P. M.; distance 6 miles. Train from Goalundo to Scaldah. Scaldah to Belvedere by road. Arrived 7 P. M.

*8th March.*—Halted Calcutta.

There is at present only one society in the Dacca district situated in the khas mahal of Buchamara, in the Manickgunge subdivision, a few miles north of Jaffargunge. I was unfortunately unable to visit this, as I was recalled to Calcutta by the Lieutenant-Governor. However, the Collector sent for the Subdivisional Officer and we explained the principles upon which it was desired to run the societies and he was asked to visit the spot to explain to the members and to hear what they have to say. The Subdivisional Officer will then report to the Collector.

I had a long conversation with the Nawab at the house of the Collector and thoroughly explained matters to him. After some time I succeeded in interesting him in the question when he understood that it was a business transaction; and he expressed his willingness to try two or three experiments on the lines indicated within his own estates in Dacca, Tippera and Backergunge. The Nawab, with the assistance of the Collector, is to choose out villages which he thinks will be suitable and where the scheme is likely to have every chance of success, and as soon as this has been done, I have promised to return and talk to the *raiya*s personally.

#### THE DHARMAGOLAS AT TEOTA.

In previous notes I have referred to these excellent institutions in which Babu Rai Parvati Sankar and his brothers take so much interest. The institutions at Jaffargunge, char Rahatpur and Teota were founded subsequent to the Jayagunge Dharmagola and they have not yet increased so largely. The interest of the people and their appreciation of what they were doing was evident. It was also a significant fact that many of the villagers who had scoffed at the idea and held aloof at the commencement have since commenced to contribute. Both *golas* were started in 1897. The store-houses are of the simplest construction, not costing more than a few rupees. I had an opportunity of talking to the people and questioning them on the subject. I told them that I proposed to introduce a system of this kind into the Government estates and proposed to make a rule that no one who had not subscribed any grain to the gola would be entitled to receive a loan. They objected to this, for they said that it was a "dharma" gola and it would be impossible to refuse to lend grain to such as were in actual want. If this were done, the religious character of the institution would be impaired, and it would not succeed. I was rather struck with this idea. I also proposed that there should be only one stated day a month for giving out grain. To this they demurred a little, but finally thought that one day a week would suffice. After some consideration they suggested themselves that it would be a good plan to put aside a certain portion of the profits each year for lending to such as were needy, but not members, and that the rest might be employed for members alone. This way of dealing with the difficulty seemed to appeal to them.

As soon as I have seen the grain banks of the Sonthal Parganas I will compare them with this system and collect all other information with a view to framing rules for grain societies. In a previous note I gave a detailed account of the rules under which the dharmagolas are managed.

#### CHAR RAHATPUR DHARMAGOLA.

Naib Prassanna Kumar Tarafdar, Punchayat; Shaik Makam Mandal; Bakhiruddin Ahmad Gaffuruddin; (writer of the books; school pandit of Bagatia); Radhanath Parmannik Goladar; Manik Parmannik.

The gola commenced work in 1805 with a subscribed capital of 70 maunds. It has now a capital of 217 maunds. A simple gola can be made to hold 200 maunds; the sides should be 10 feet high and the roof 4 feet above this, conical shape, the platform should be raised at least two feet off the ground, so as to allow of a man creeping in to gather any fallen grain. The gola can be divided into three and each year's grain kept distinct. No arrangement is made for keeping seed paddy separate from the other paddy. All the different kinds of paddy are mixed up together.

#### DIARY.

*9th March.*—Left Howrah at 4 P. M. Arrived Chinsura at 5-15. Distance to Commissioner's house 2 miles. Drove to Collector's house, 1 mile.

*10th March.*—Drove to station from Commissioner's house (2 miles). Left Chinsura station at 8 A. M., en route for Rampur Hât.

I discussed the question of coöperative credit with the Commissioner and the Collector. Mr. Hampden, the District Superintendent of Police, was also present. There is at present a scheme for the establishment of a society at Arambagh.

Went into the question of the Damodar Survey with the Collector and the Commissioner and prepared a note for the Director of Land Records.

#### BIRBHUM (RAMPUR HAT).

*10th March.*—Arrived at Mollarpur at 1-30 P.M. Met Mr. Mellor the Subdivisional Officer. Went with him to inspect the society which was situated near the station. Left Mollarpur by goods train at 7 P.M. Arrived Rampur Hat 8 P.M.

*11th March.*—Left Rampur Hat at 7 A.M. Arrived at Chhatra 8 A.M. Travelled by road to Kusmor (5 miles) inspected the society, returned to Chhatra (5 miles), took train for Burdwan. Arrived Burdwan 5 P.M.

#### THE MOLLARPUR SOCIETY IN RAMPUR HAT.

This society has an especial interest as it is run by the people on capital altogether subscribed by themselves. The idea originated with a philanthropic gentleman named Dipin Behari Mukerji who has founded a reading-room and lending library in the village. This gentleman was impressed with the pamphlets which he read on the subject of village banks and he succeeded in inducing his neighbours to subscribe the capital of Rs. 344 to assist the poorer cultivators in the vicinity. The transactions of the society are confined to the villages of Fatehpur, Bania, and Goals. There are 25 depositors who receive 4 per cent. on their money, and 10 borrowers who pay 9 per cent. on their loans. The reserve fund amounts to Rs. 30. The committee of the bank consists of the following five members, Pashupatti Mukherji, Secretary, Bhagwan Bannerjee, Head Punch, Jhumak Ram, Harinarain Battacharjee, Kito Sankar Datta. The supervisors are Batuk Bhairab Chatterjee and Bistu Chandra Singh. The Committee meet on the 7th and 22nd of each month for the transaction of business at 4 P.M. in the reading-room. Loans are granted to *raiyats* on personal security, if necessary, the committee enquire in the village concerning the *raiyats'* circumstances.

The society commenced operations in May 1903 and is working with the Allahabad rules. The members verbally applied for a loan of Rs. 350 under the Government of India's Resolution. This will be seen to as soon as the books of the society have been audited and the society has been registered under the Act.

*11th March.*—Left Burdwan at 11 P.M., arrived at Bankipur on *12th March* at 6 P.M. Spent the day with His Honour at Bankipur.

*13th March.*—Left Bankipur at 8 A.M. Arrived Muzaffarpur in the evening. Saw Sir. Fredrick Nicholson.

*14th March.*—Left Muzaffarpur at 2-30 P.M. and arrived at Rajmahal at 6 A.M.

*15th March.*—Saw Mr. Hennessy and the Subdivisional officer, left Rajmahal at 4 P.M., arrived Rampur Hat 9 P.M.

*16th March.*—Left Rampur Hat *en route* for Dumka.

*16th March.*—Arrived at Dumka at 1 P.M. Distance travelled by road 39 miles.

*17th March.*—To Baranasia bungalow and back with the Deputy Commissioner. Distance travelled 24 miles.

*18th March.*—Visited the grain gola in the bazar at Dumka.

*19th March.*—Left Dumka for Deoghar. Travelled 41 miles by road. Inspected the grain golas at Rohini, 3 miles from Deoghar (distance travelled 6 miles).

Evening 8 P.M. left Deoghar *en route* for Calcutta.

*20th March.*—Arrived Calcutta, Howrah 6 A.M.

W. R. GOURLAY,

Registrar of Coöperative Credit Societies, Bengal.



## APPENDIX IV.

*Instructions for starting Coöperative Credit Societies in Bengal.*

THE first thing to be considered is how the society is to be financed. There are three sources from which capital can be obtained. First there are entrance fees (as a rule there will be no shares in village societies). These can only furnish a small sum, as the entrance fees will not, as a rule, exceed one rupee, and, in most cases, will be less. The object of an entrance fee is to distinguish between those who really want to give the scheme a trial and those who would merely put down their names out of curiosity. We cannot look to entrance fees therefore for the capital. The second source is deposits of members. As a rule, *raiyats* will join, not with a view to depositing money, but with a view to borrowing money. The reasons for this are in the first place the *raiyat* does not understand the system and has at first no great confidence in it and therefore he will not willingly trust his money to the society. In the second place if the *raiyat* has money, he can, as a rule, make more out of it than the 6½ per cent. the bank would give him by lending it, rupee by rupee, to his inferiors in the social scale. Thirdly, the ordinary small *raiyat* who will join the societies and for whom the societies are really intended has not got any money to deposit. There may, however, be a sprinkling of more well-to-do *raiyats* who join the society with a view to assist their poorer neighbours or to help on what they consider to be a good object, or with a view to pleasing the powers-that-be. Such persons may be willing to deposit money, but from the great majority of the members we cannot expect deposits till the principles have been grasped and confidence in the system has been created.

The third source is deposits or loans made to the society from outside. These may come from three directions. Government, local capitalists, and outside capitalists. The Government has promised to make loans to the societies in even fifties of rupees to the amount of deposits of members in the society. Such loans will be made free of interest for three years; from the fourth year they will bear interest at 4 per cent. and will be repayable in instalments of one-tenth per annum. No loan to any one society is to exceed Rs. 2,000. As I have said above, the amount of deposits will at first be small and therefore the amount of Government assistance to be obtained under these rules will also be small. The second source is the local zamindar or other person who is willing, for the benefit of the *raiyats*, to lend them some money. The interest in such cases and the conditions depend on local circumstances. In many cases it may be possible to obtain loans at 6½ per cent. for the societies, but in some cases it may be necessary to pay more. In all cases the lender should be requested to allow the money to remain in the society as a fixed deposit for three years and thereafter to allow the deposit to be repayable in annual instalments of one-tenth. At the same time the condition should be added that the society has the right to repay the whole on giving twelve months' notice or less. When the principles of the societies and the rules have been explained to zamindars, it will be found that many of them will be willing to finance their villages on the above conditions. Many zamindars at present lend money to the more substantial *raiyats* and others who will take Rs. 150 to Rs. 200 at a time at a rate of interest in many cases not exceeding 12 per cent. When they realise that the *raiyats* will be jointly and severally responsible and that in the event of it being necessary to sue them, it will only be necessary to sue the society as one legal person, and that a decree will be obtained against the whole of the members, their fear of suing on a joint bond will disappear; and when it is explained to them that they will only have to make one entry for each village in their own books and that the members of the societies will themselves collect the principal and the interest their fear of the trouble of collection will disappear. Many of them will begin to see that such societies will open up a market for their surplus cash that they had not dreamt of.

Should this course, however, fail then application must be made to the Registrar to see whether he can borrow money for the society otherwise than locally. Money borrowed for the societies by the Registrar in this way will be lent at a rate of interest not less than 6½ and not greater than 12 per cent.

2 The next thing to do is to choose a suitable locality. The best conditions possible should be chosen. There are many villages in which the conditions are such as to lead us to expect success sooner than in others. In the first place it is best to choose a village which is held in one interest, that is, in which the *raiyats* pay to one rent-receiver. The next thing is to see that the rent-receiver and the landlord are not opposed to the movement. If the zamindar is opposed to the introduction of such societies in his villages, it will be difficult to make progress. The scheme will succeed even in such villages eventually, but not till the *raiyats* of the village have seen the benefits which have accrued to others; that is, until they have seen societies succeeding in other villages. The active coöperation of the zamindar would assist much, but it is not necessary. We must be sure, however, that neither he nor his agents will actively oppose the movement and prevent the *raiyats* from coming forward.

Thirdly, a village should be chosen where the people all live in the same *basti*. It is not necessary to have a large village; if 15 or 20 men come forward to try the scheme, that is sufficient. If the villagers are scattered in *basties* widely apart, it is better to choose out one *basti* and confine the operations of the society to this restricted area. The villagers will not become jointly responsible for people whom they do not know well and whom they do not see every day. The greatest security is the knowledge that every member has of his

neighbour and the social influence which he can bring to bear upon him. If the neighbour lives at a distance, the members have not got a personal knowledge of his every-day affairs unless they send to his *basti* and pry into his ways. All prying and secret watching must be avoided. The moment there is any idea of secret watching, the member will commence to conceal his circumstances and the security will be gone. For this reason only those who are closely connected with each other in their every-day life are willing to accept the joint responsibility. Then too should an outside man default, the little community has no power to enforce any social penalties; their influence in the next village or *basti* is nil. If a *basti* with the people all of one caste and that a cultivating caste can be found, the scheme will succeed faster, but this is not necessary. If there is a party faction in the village, there is no objection to each faction having a society of its own and each party being security for the members of its own faction.

The fourth thing to be looked for is a villager who can read and write. If none of the members can read or write, one of them will probably have a son or a nephew who can. There are many villages in which this can be found, and it is better that we should commence with such villages. The man who keeps the books must be one of themselves. If an outside muharrir or clerk is brought in for this purpose, the scheme will fail: the patwari, if he is not a villager with lands and an ancestral home in the village, is not to be relied on. We want someone who has the confidence of the villagers and who, in fact, is one of themselves. Even if he wanted to, such a man could not go far wrong with the accounts. His cash-book and ledger will be audited once a year in Calcutta and any defalcations would be found out then; but no large defalcation is possible, for the society will be so small that the members will have a very good idea of how the accounts stand, even though they cannot read and write. They will know very well in whose hands the money is and the writer-member will not lose his place in the village for the sake of the small annual interest or other amount which may be in his hands and which is not accurately known to the illiterate members.

The accounts themselves will be such as can be written by any one who knows the elements of writing. They will consist of an ordinary *jama karach* and an ordinary *hisab* for each member. These and the file of applications will be the only books necessary.

3. Having found these four conditions, the next thing is to visit the village and explain to the *raiya*s what the scheme is. First it is necessary to find out at what rate they are borrowing money at present, and, if possible, the source. It will not be difficult to find out the general local rate for small amounts, and this will be found, as rule, to be from 25 per cent. to 75 per cent. This does not really represent the exactions of the money-lender, for many others factors have to be considered; for example, the compound interest reckoned monthly which is often met with and the fact that the *bania* who lends the money is the same man who buys the grain. The *raiya* is thus forced to take his loan at a high rate and to sell his grain at a low one to the same man to pay off the loan. Under the present scheme the *raiya* will be enabled to get money at a rate not greater than 18½ per cent., usually at 12½. At first it will be difficult to get money down to the *raiya* and allow for the accumulation of a reserve fund at a less rate than 12½. If the *raiya*s hear that there is a possibility of their getting money at such rates, they will usually listen to the scheme.

4. Next, it is well to explain to them the reason why they have to pay such high rates of interest when men, whom they know who want to borrow large sums of Rs. 500 and Rs. 1,000 can obtain what they want at 12 per cent. Such men are able to go to the large bankers in the towns, and if one asks for a greater rate they go on to another, and so on till they find out who is willing to give them a loan at the lowest rate possible. The banker in the town has little trouble with a large loan. He makes one entry in his books and collects his interest once a year. If the debtor defaults, there is only one person to be sued and the percentage of cost in suing and obtaining a decree is not so disproportionate. The banker could not undertake transactions of Rs. 20 repayable in instalments; the trouble in book-keeping would not pay him, and it would cost him more to get his money back through the courts than the value of the loan. What we want to do therefore is to bring the little villager into a position to deal with the large banker on the same terms as the man who wants a large loan. The security which the *raiya* has to offer is just as good for the small amount as the security which the large man has to offer for his needs, in many cases better. Even if the *raiya*'s interest in his land is not saleable, it is an interest which he cannot purchase readily and which it takes many years to obtain. It is therefore a right which he values and which he would not readily lose. Such a non-transferable right therefore really increases the personal security of the *raiya* immensely. On account of a loan representing the *raiya*'s needs for one or two years at most the *raiya* will not give up his ancestral holding where all his interests lie, and it is only for such *raiya*s that these societies are intended. The members too, will have the right to exclude anyone whom they do not sufficiently trust or who they consider has not a sufficient stake in the village to render his personal security reliable. The villagers who agree to give this scheme a trial should make up a list of their requirements for the following year and should add up this list and be ready to borrow the whole sum in one lump. Another condition, however, must be attached. Those who agree to this scheme must also agree to collect the principal and the interest themselves and to keep all the accounts themselves. They will divide the money out amongst themselves, and if they do this so carelessly that one man gets a loan and then leaves the village and leaves no security behind, then they have themselves to blame and they must bear the loss. This means that every member must be jointly and severally responsible for the money.

The joint liability in the restricted area and the management of the society by the members for the members must be clearly explained to the people. If they do not understand this and do not agree to this, it is useless going any further. I have never yet found a case in which when the restricted joint liability was explained to the *raiya*s, they did not agree; the liability is confined to those who within a limited area choose one another. If there is any one man whom the others do not wish to trust, he cannot become a member or obtain a loan. The giving of loans is in their own hands. If they lend any one man more than he can repay, the fault is theirs and they must bear the loss.

5. If, however, 20 or 30 agree to these conditions, the next thing to explain to them is the management of the society. In the first place it is impossible for 20 men to manage the ordinary affairs. A small committee must be appointed by the people themselves to do the ordinary work. This committee is of course always subject to the control of the members. At the beginning of the year the members appoint a committee of five to do the work for the following twelve months; the next year other five will do the work, and so on till each one has had his turn. The members of the committee are not to be paid; there is little work to do, and if each one is not willing to take his turn at doing that work, then the village cannot have a society. If the members were paid, in the first place the rate on loans would have to be raised; and in the second place, as it would always be the interest of the committee to be re-elected, they would be inclined to manage the society so as to incur the favour of individual members and so secure re-election rather than for the benefit of the members as a whole. If they are not paid, then it is to their interest to manage the society for the benefit of all, and when their year of office is over they are ready to lay down their responsibilities and let some one else take them up. The member who has the trouble of writing up the books may be paid a small amount not exceeding 10 per cent. of the profits provided he is not a member of the committee; but if he is to have any voice in the giving of loans, he must do this work without remuneration.

This committee cannot be worried to do business for the members every day, and therefore one day a month is fixed on which the *panchayati* is held. The date should be a wellknown one, such as the day of full moon. Then all the villagers will know upon which day they have to apply to the committee for loans and upon which day the instalments and interest have to be paid. Special meetings may be held on other days during the weeding season when money is required at shorter intervals, but the *panch* must always meet on this one fixed day. When a member applies for a loan, the committee have to consider three things: (1) the necessity for the loan, (2) the *kists* in which the loan is to be repaid, and (3) the sureties in the event of the death or default of the borrower. Loans are only made to members.

The committee know exactly the circumstances of each member and they will have no difficulty in deciding concerning the necessity of the loan. They also know the member's capacity to repay. In the first instance loans will not be given for a longer period than one year; but after a year or two, when the societies have become well established, it will be possible to lend money for two, three or even four years. When once the committee have decided concerning the necessity of the loan and the member has agreed to take it, the money must be applied rigorously to that purpose. A man cannot take a loan for marriage expenses and then expend it on a pair of bullocks; the control over the borrower is gone if he is allowed to change the purpose concerning which the committee have already deliberated. Should the loan be misapplied, it must be recalled to the next meeting and the member either warned or expelled. The second consideration is the method of re-payment. No fixed *kists* will be laid down in the rules. The *kists* will vary according to the circumstances of the member borrowing; one man has tobacco, he pays when he sells the crop; another man has jute; he pays when he receives the price of his jute; another man is a labourer, paid a monthly wage; he pays a fixed amount each month, and so on. The *kists* are settled between the borrower and the committee according to the crops of the former before the money is made over to him. The third question is the security; borrowers of over Rs. 5 must get two members to get surety; in the event of the money being misapplied, these sureties will be called upon to make the borrower repay the money or repay it themselves; in the event of the borrower dying, these sureties will act as receivers of his crop and see the rest of the members are not caused loss.

At every meeting of the full moon day the committee will go over each loan outstanding and will check the security. For purpose there will be another committee of three, known as supervisors. As the committee read over the names of the borrowers outstanding, it will be the duty of the supervisors to answer in each case that the money has been properly applied and that the member's security continues good. If there is any deterioration of security, it will be discovered within a month at least and the member will at once be called upon to give further sureties or to repay the loan. In this way the chance of loss will be minimised.

6. This then is the scheme of management. If this were all, the village would no doubt benefit, but the society would be liable to fall to pieces at any moment. There would be nothing to bind the people together, and after all, at the end of twenty years, the village would be still in debt to the amount of the capital borrowed. Provision must therefore be made for an indivisible sinking fund or reserve as it has been called.

This is provided for out of the interest charged to members. The society will borrow at from 6½ to 12 per cent. It will lend to its members at from 12½ to 18½. The profit thus made will go to form a sinking fund which will be the property of the members jointly, but out of which no one member can obtain a share at any time. If in the future the members should come to the conclusion that they do not want to borrow any more money,

then this fund can be expended on some work of utility in the *hutti*. This fund will go on gradually increasing till the members are enabled to pay back all their original borrowing, and when that time comes they will be able to lend money to members at a rate of interest not exceeding 6½ per cent. and they will have a reserve stock of money in the village to meet a time of scarcity or famine.

Such then is the scheme and the account of the manner in which it is to be managed. When it has been explained to the *raiyats*, it is best to leave them for a little to discuss it amongst themselves. If they agree to try it, leave them to choose out their own members and to come with a list of those who are willing to join and the amount which they consider each man might borrow in the succeeding year.

7. When this has been done and the financing of the society has been arranged for, application may be made to the Registrar to register the society under the Act and to supply such papers and forms as are necessary.

It is also well to explain incidentally that there will be no trouble about stamp-fees and it will not be, as a rule, necessary to register any documents. The societies will not be interfered with in any way by *amlah*.

W. R. GOURLAY,

*Registrar of Coöperative Credit Societies, Bengal.*

## APPENDIX V.

*Model By-laws for Rural Coöperative Credit Societies with unlimited liability.***1. NAME OF THE SOCIETY.**

The Society shall be called the Rural Coöperative Credit Society of  
with unlimited liability.

Its registered office will be at                               Thana  
district

**2. OBJECTS OF THE SOCIETY.**

The Society will grant loans on interest to or receive deposits on interest from members  
only.

**3. BORROWING POWER.**

The Society may borrow money on interest from persons other than members. No loan  
of any kind shall be taken without the previous sanction of the Registrar.

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**4. MEMBERSHIP.**

The members of the Society shall consist of—

- (a) those persons who have subscribed to the application for registration and to  
these rules;
- (b) such persons as shall become members of the Society by election under these  
rules.

**5. ELECTION OF MEMBERS.**

Any person having his ordinary residence within  
and having attained the age of 18 years shall be eligible to become a member of the Society.  
He must be of good character and his liability must not be pledged by membership of any  
other Credit Society. Every person desirous of becoming a member must apply to the  
Committee at one of their regular meetings, and he shall not be elected a member till the  
next following meeting. His application shall be posted up at least ten days before the date  
of the Committee Meeting at which his application is to be considered, in a conspicuous spot  
at the ordinary place of business of the Society. As soon as a member has been elected,  
he shall sign a copy of these rules to show that he agrees to them.

If more than one-fourth of the members of the Society object to the admission of any  
member, he cannot be admitted.

**6. RULES OF MEMBERSHIP.**

As soon as a member has signed the rules, he shall be deemed subject to the payment  
of his entrance fee to have acquired all the rights, obligations, responsibilities and liabilities  
of a member of the Society as laid down in the rules.

The candidate on admission to membership shall be required to pay an entrance fee of.

Membership ceases by retirement, by removal of residence beyond the prescribed area,  
by expulsion, by bankruptcy, and by death.

**7. SUSPENSION AND EXPULSION OF MEMBERS.**

The Committee can suspend a member after due notice has been given for any act which  
in the opinion of the Committee, is likely to be injurious to the credit of the Society or for  
a serious breach of the rules. The case shall be referred to a General Meeting of the Society  
within a fortnight of the date of suspension. The Committee can expel a member for  
default. If a member be expelled at a General Meeting, three-fourths of the members  
present must vote for the expulsion. An appeal shall lie to the Registrar.

**8. LIABILITY OF MEMBERS.**

All members are jointly and severally liable for the debts of the Society.

In the event of the Society being wound up, every present and past member of the  
Society shall be liable to contribute to the assets of the Society to an amount sufficient for  
payment of the debts and liabilities of the Society, but—

- (a) no past member shall be liable, if he has ceased to be a member for more than  
one year prior to the commencement of the winding up;
- (b) no member shall be liable for a debt contracted after he ceased to be a member.

9. RESERVE FUND.

The reserve fund shall be indivisible among the members and shall consist of—

- (1) Sums annually devoted to it out of profits;
- (2) Entrance fees;
- (3) All other sums devoted to it by the Society.

If the Society ceases to exist, the reserve fund shall be disposed of for the common good, according to the wishes of the majority of the members, subject to the approval of the Registrar. The entrance fees may be utilized to meet the cost of books, stationery and postage. Any balance however must be credited to the reserve fund.

10. PROFITS.

A sum not exceeding 10 per cent. of the gross profits may be placed at the disposal of the Committee for rewarding the keeper of the books. All net profits shall be credited to the reserve fund.

11. GENERAL MEETING.

The supreme authority of the Society is vested in the General Assembly. All members have a vote, and no member has more than one vote. Only members present can vote. One-fifth of the number of registered members shall constitute a quorum.

The General Assembly must meet at least once a year, and it shall decide the maximum amount which any one member can borrow at one time, and the maximum amount of liability to be incurred and the maximum amount of deposits to be received during the year, and shall fix the rate of interest to be paid by borrowers and to depositors. The rate shall not exceed per cent. per annum for loans and per cent. on fixed deposits for one year. Deposits for a period of less than one year will receive interest at per cent. and shall be withdrawable on fifteen days' notice. Compound interest shall not be charged.

12. COMMITTEE OF MANAGEMENT.

The Committee shall consist of not less than five members who shall be elected annually at the General Meeting. They shall meet at least once a month on a day and at a place to be fixed by the General Assembly. The duties of the Committee shall be—

- (1) to elect new members;
- (2) to deal with applications for loans and grant or refuse them at discretion subject to the rules;
- (3) to receive and disburse money as may be required;
- (4) to prepare periodically a balance sheet;
- (5) to check the security for each loan outstanding.

The Chairman of the Committee will be elected annually by the General Assembly.

13. CONDUCT OF BUSINESS.

The Committee shall not make any loans to any person not a member of the Society :

Nor make any loan without one surety if the amount be Rs. 5 or less than two sureties if the amount be over Rs. 5 and three sureties if the loan be for any but a productive purpose.

No member who himself is in receipt of a loan can, unless the Committee unanimously consent, stand as surety for any other member taking a loan.

No loan shall be granted for a period exceeding months. No renewals of loans shall be granted, provided that if by reason of sickness, flood, drought, pest or other sufficient cause which must be notified to the Committee before repayment of the loan or any instalment is due, a borrower is unable to pay, one renewal may be given. Payment shall be made in *kists* according to the crops grown by the borrower or according to his other circumstances of income.

If the Committee are satisfied that a loan has been misapplied, they shall call it in at once.

14. DISPUTES.

All disputes which the Committee cannot decide shall be referred to the Registrar.

15. BOOKS AND ACCOUNTS.

All the account books are open to the inspection of members while the punch is sitting. The forms of account shall be approved by the Registrar: they shall include a form of application for loan on the reverse of which will be the bond of the borrower and of his sureties, a daily cash book and a Ledger showing the account, loan or deposit, of each member: a list of all members showing their place of residence and date of membership. Pass-books are to be supplied to all borrowers and depositors. Minute book for all proceedings of meetings of the General Assembly, Committee and Supervisors shall also be kept.

16. AUDIT AND CONTROL.

The Proceedings of the Committee and the accounts of the Society shall be checked by three members called the Committee of Supervision appointed annually by the General Assembly.

The duties of these supervisors shall be at least once a quarter ;

- (1) to check the accounts of the Committee;
- (2) to see that the Committee regularly test the state of the security in the case of each loan outstanding and call in any loan misapplied;
- (3) to call the committee to account at any time if they learn of any misapplication of a loan which the Committee has not called in;
- (4) to sign the balance sheet once a quarter and to sign the certificate of the cash in hand.

17. WINDING UP.

The Society shall be wound up whenever three-fourths of the members wish it, provided that the Registrar approves.

18. GENERAL.

All matters not specifically provided for are to be decided according to the terms of the Coöperative Credit Societies Act, X of 1904, and the rules framed under section 27 of that Act.

We agree to the above by laws and under Section 6 of the Coöperative Credit Societies Act (X of 1904) apply to be registered as the \_\_\_\_\_ Society with unlimited liability, the registered office being \_\_\_\_\_ Post office \_\_\_\_\_ District \_\_\_\_\_ .

Number.	Names of applicants. for registration.	Father's name.		Age.	Residence.
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

1. \_\_\_\_\_ Sir Punch.

2. \_\_\_\_\_ Punch.

3. \_\_\_\_\_ Do.

4. \_\_\_\_\_ Do.

5. \_\_\_\_\_ Do.

1. \_\_\_\_\_ Supervisor.

2. \_\_\_\_\_ Do.

3. \_\_\_\_\_ Do.

## APPENDIX VI.

*Note on Grain Banks.*

By far the largest amount of credit in the village is given in grain. The system of anticipating the crop is not confined to India alone, but is common to all countries where the agriculturist is poor. The natural result of this necessity is the establishment of one man in a village who, through having accumulated his little capital, is able to meet the demands of his poor neighbours on condition that they pay him something for the convenience when the crop is harvested. There is nothing really bad in such a system. The *raiya* does not originally fall into a debt which is beyond his means to pay. He will lean upon what he expects his land to produce, and at the end of the year should be exactly where he stood before. The system, however, in all countries, has led to great abuses. The man with a small capital is the master of the situation and he is able to dictate his terms according to the need of the *raiya*. In all cases in which transactions in grain take place, the rate of interest charged is high compared with the rates charged on cash loans. This is due to the fact that grain sometimes deteriorates in keeping and also to the fact that the transactions are very small. In many countries this has led to interference on the part of the State with a view to ameliorate the condition of the *raiya* and to help them to anticipate their crops at fair rates.

2. In Europe we have two examples of such State interference. These are the Monte Frumentarii of Italy and Positos of Spain. The Monte Frumentarii were established by the State in the 15th century in order to supply advances of grain to meet the immediate needs of the cultivators. They were managed under the supervision of the district authorities, the local granaries being managed by a Communal Council. From these granaries loans were granted for maintenance where such was necessary and for seed in all cases. The Positos of Spain have to-day a very complete organisation. Many were established directly by the Government, but even more were established through the influence of the Church. In these granaries the surplus grain of the village was stored and was doled out by the Communal Council in times of distress. The granaries also had some effect in checking an undue rise or sudden fall in the price of food-grains. Though these granaries were at first established merely as store-houses, the necessity for changing the grain to prevent it spoiling led first of all to the practice of giving out old grain for new and then to the practice of lending grain at seed-time and recovering the amount with interest at the harvest. In many cases where the store of grain became too unwieldy to manage, part of it was sold and thus alongside the grain bank there arose a cash loan department. At present in each district in Spain there is a Standing Committee composed of the official who corresponds to the Collector in India, the local agricultural officer, two members of the District Agricultural Board, two members of the District Council, and finally two members elected by the 50 largest landowners in the district. The appointment of this committee has to be approved by the Minister of the Interior. The Positos themselves are managed by the Village Council which corresponds in many ways to the local *panchayat*. The members of the Council are responsible for the loans granted and they have to submit their accounts once a year to the District Committee for audit. Loans are granted in grain and are repayable either in grain or in cash, according to the conditions fixed upon at the time of granting the loan. Loans are only granted in grain till the new crop is harvested. Small cash loans are allowed to stand out for one year. But the Village Council has no power to grant a renewal of the loan without the consent of the District Committee. The books kept by these village communities are very simple and consist of a stock-book of grain and a receipt-book in which the borrower signs his name in acknowledgment of the grain received. No bonds are taken and the security asked for is in almost all cases personal. The District Committee supervises all the Positos and in cases of default has the same power as a public officer has for the realisation of arrears of revenue. The Village Councils are unable to introduce any changes in their method of procedure or in their rules without the approval of the District Committee. The rates of interest charged by the Positos are 4½ per cent. on a grain loan for crop period and on small cash loans ½ per cent. per month. The Village Council is allowed one-sixth of the profits to cover all expenses. The work of the District Committee is gratuitous. The balance of the profits is added to the capital so as to cheapen credit.

3. In Bengal during the course of my winter's tour I have inspected two areas in which grain banks are established. The first of these is the estate of Rai Parvati Sankar Roy Chowdhury, zamindar of Sahitgarh, Teota, to whose pamphlet entitled "*A Note on Dharmagolas*" I would draw attention. I visited the three *golas* situated at Jiaganj in the Dinajpur district at Rahitpur and Sahitgarh, Teota in the Dacca district. The second is the attempt made by the Government to establish a grain-lending business in the Dumka Government estate in the Sonthal Parganas.

4. Rai Parvati Sankar's scheme is shortly as follows: The villagers hold a meeting and if the majority decide that a *dharmagola* would be a good thing, they appoint a committee of five men, one of whom is called the *goladar*. These men make out a list of the householders in the village and of the quantity of culturable land which each possesses and this list is read out to the assembled villagers a week later. Any objections to the accuracy of the details are heard at this time. The villagers then agree at what rate per *bigha* each household should subscribe to the *gola*. This rate does not exceed 10 seers per *bigha* (about 30 seers per acre), and if for special reasons any one is unable to subscribe this amount his case is



specially considered by the committee. This meeting divides the village into two classes: contributors and non-contributors, and these two classes obtain loans of paddy from the *gola* at different rates. The rates for contributors do not exceed 15 *seers* per *maund* and non-contributors 20 *seers* per *maund*. The committee then proceed to collect subscriptions for building a small *gola* for keeping grain. The *goladar* keeps one key and another member of the committee the second key. At the meetings of the villages every one can attend, but only those who have contributed to the grain capital of the *gola* have a right to vote. Loans are only given when a person is in actual want of seed or of food. Two members of the committee enquire into the applicant's circumstances and pass orders on his application. All loans must be repaid immediately after harvest. If the harvest should fail, renewals are granted, but are never allowed to exceed the term of two years.

These *golas* have a rule that when the stock of paddy is increased to a thousand maunds, the committee are not to lend more than 750 maunds in the year following, and the remaining 250 maunds must be kept in the *gola* as reserve stock: every year thereafter the committee must add 250 maunds per annum to the reserve stock till such quantity has been accumulated as, in the opinion of the villagers, will suffice to feed the whole village for six months in case of the total failure of the crops.

To prevent a deterioration of the reserve stock, the committee are authorised to exchange new paddy for old at a rate of 1 *maund* 2 *seers* of new paddy per *maund* of old paddy. The stock of paddy is weighed once a year in the presence of the villagers, and if the percentage of wastage is too high, the committee are expected to make it good. The villagers are encouraged to make donations to the *golas*. All breaches of the rules are punished by social penalties. The reserve fund of the *gola* is indivisible.

The books kept by the *goladar* are of the simplest description. There is a book showing daily transactions, a stock-book and a ledger together with a *hatchita* or copy of the ledger written by the borrower himself. In three villages I found that many of the residents who had scoffed at the idea and held aloof at the commencement have since become contributors.

5. The Deputy Commissioners of the Sonthal Parganas have made several endeavours to assist the *raiya*s both in Government estates and in estates under the Court of Wards by carrying on a grain-lending business on reasonable lines. These experiments began in Sankara in 1892-93 with a capital of 5,000 maunds and at the end of the last year there was a stock of over 5,000 maunds and advances are made to some 2,000 *raiya*s per annum. In Deoghur business was commenced in the famine year 1897 with a capital of Rs. 4,000; now the capital has increased to over 6,000 maunds valued at Rs. 11,000. In 1900-01 business was commenced on the same lines in the Godda Damin, and in the Dumka Damin, and from the experience gained in these experiments, the Deputy Commissioners were of opinion that no measure has been so beneficial to the *raiya*s as this system of grain-lending, even then the interest charged was the same as that charged by the mahajan. In the Damin the *puganites* are responsible for the custody of the *golas* and are paid 5 per cent. on the quantity stored less the dryage and wastage for their trouble. A *kanungo* or more senior officer attends at each *gola* at stated intervals to give out grain. For every *maund* of paddy lent, one-and-a quarter maunds has to be repaid immediately after the harvest and no fresh loan is allowed in any village until the paddy dues of all the *raiya*s of that village have been repaid. The arrear lists are placed before the Deputy Commissioner at the end of *Chait* each year. To facilitate the distribution of the paddy, boxes of two different sizes are constructed holding respectively one *maund* and one *maund* and a quarter. For each small box of grain taken out the *raiya*s has to repay a large box full at harvest time. Experience has shown that under this system of joint village responsibility there is practically no risk whatever, the dues are all paid promptly at the time of the harvest. The business is organised by "bungalows" each of which contains about 50 villages. Each "bungalow" has one *gola*, or in other words one distributing centre.

This system has worked excellently in the Damin, but in the Court of Wards' estates a great drawback was found. When the estate went out of Government management there was no guarantee that the proprietor would be willing to carry on the business and there was nothing to prevent the whole of the profits made from being swallowed up by him. To meet this, the Deputy Commissioner commenced to found a village reserve fund. The *raiya*s pay the *dohri* rate and half of the profits of the business is paid into a village fund.

6 In the Sonthal Parganas the great want has been the establishment of a system which can be managed by the people themselves, apart from the Government and from the Court of Wards. The present system is entirely dependent on the energy and ability of the Deputy Commissioner and his Subdivisional Officers. The change of a Deputy Commissioner or Subdivisional Officer means a certain amount of dislocation of the business of the *gola*. It is most desirable therefore that some system should be evolved which should be independent of these officers, although at the same time under their supervision and control. In the Damin there are elements of coöperation already. No member of a village is allowed a loan until all the dues of the previous years have been paid by his co-villagers. It seems to me that the best plan would be to extend this system and to make each little village independent in its own business. In other words, I think it would be better if the grain *golas* at the bungalows and other centres would deal with villages only and not with individual villagers. This would tend to greatly simplify the work, and at the same time would not increase the financial risk. What I would recommend therefore is that the store of grain in each of the various centres, for example, Rohini Sankara and the Damin, should be formed into the capital of three central banks, and that these central banks should be managed by a trust consisting of the Deputy Commissioner or his nominee, the proprietor

of these estates or nominee, and a third party elected by these two. These three persons would form the Directors of the central banks, and all profits accruing from the grain-lending business should go to the increase of the trust capital and the decrease of the rate upon loans. These central banks would be managed on the same lines as the *golas* are managed at present. But instead of dealing with individuals, the store would deal only with villagers who had constituted themselves into cooperative credit societies registered under the Act. Or in other words, if in any village 10 or more persons would agree to borrow grain jointly, the trust would send up their applications to be registered under the Act. When this has been done, the members of the trust would consider what amount of credit in the shape of grain could be granted to these persons. They would then erect a small *gola* in their village in which the advance of grain would be deposited. They would manage their little *gola* on similar lines to a cash cooperative credit society. The villagers would decide themselves to whom loans of grain for seed or maintenance are to be given, and they would collect the capital and the interest after harvest time. The trust would depute persons to go round annually and check the accounts and the stock in each of these affiliated *golas*. In this way I think the villagers would more quickly realise that the profits on the grain-lending business remain in the village. From these profits they would very quickly be able to repay the original loan taken from the central grain store, and they would have a grain capital which is altogether their own. The amount of book-keeping necessary for an institution of this kind is very small; it will be necessary to keep a stock-book and a book showing the amount of grain issued to each person. Beyond this nothing further is wanted. The central grain store would lend to the affiliated *golas* at *sikai* rates and the village *golas* could charge their members *dehri* rates until the original capital borrowed has been repaid, after which they would be able to reduce their rate on loans to *sikai*.

DARJEELING ;  
 The 22nd May 1905. }

W. R. GOURLAY,  
 Registrar of Coöperative Credit Societies, Bengal

## BALANCE SHEETS OF THE COÖPERATIVE CREDIT SOCIETIES IN BENGAL, 1904-05.

[Supplement to Registrar's Annual Report, 1904-05.]

### KUSHMORE SOCIETY.

(Birbhum.)

RECEIPTS.	Rs. A. P.	EXPENDITURE.	Rs. A. P.
1. Loans repaid ... ..	419 0 0	1. Loans granted ... ..	623 0 0
2. Interest realized ... ..	35 13 9	2. Deposit in Post Office Savings Bank ... ..	6 14 0
3. Deposit ... ..	0 4 0	3. Purchase of postage stamp ... ..	0 1 0
4. Entrance fees ... ..	0 12 0	4. Balance in hand ... ..	110 15 10½
5. Balance of last year ... ..	255 15 1½		
Total ... ..	739 12 10½	Total ... ..	739 12 10½
ASSETS.		LIABILITIES.	
1. Loans outstanding ... ..	345 0 0	1. Loans due to Government ... ..	400 0 0
2. Interest on ditto ... ..	17 8 10½	2. Interest on ditto ... ..	25 0 0
3. Deposit in Post Office Savings Bank ... ..	19 0 9	3. Deposit ... ..	9 4 0
4. Interest on ditto ... ..	0 7 9	4. Interest on ditto ... ..	0 12 9
5. Balance in hand ... ..	110 15 10½	5. Reserve fund (entrance fees) ... ..	18 0 0
		6. Balance being "worth" ... ..	40 0 6
Total ... ..	493 1 3	Total ... ..	493 1 3

### FATEHPUR SOCIETY.

(Birbhum.)

RECEIPTS.	Rs. A. P.	EXPENDITURE.	Rs. A. P.
1. Deposits ... ..	151 0 0	1. Loans granted ... ..	459 0 0
2. Loans repaid ... ..	309 8 6	2. Deposits repaid ... ..	59 12 0
3. Interest realized ... ..	25 11 6	3. Interest paid ... ..	3 6 6
4. Entrance fees ... ..	5 4 0	4. Miscellaneous ... ..	0 14 6
5. Miscellaneous (no details given) ... ..	0 10 6	5. Balance in hand ... ..	64 7 9
6. Balance of last year ... ..	93 5 9		
Total ... ..	535 8 8	Total ... ..	535 8 8
ASSETS.		LIABILITIES.	
1. Loans outstanding ... ..	327 7 6	1. Deposit due to members ... ..	344 4 0
2. Interest on ditto ... ..	4 7 3	2. Interest on ditto ... ..	16 13 9
3. Balance in hand ... ..	64 7 9	3. Entrance fees (Reserve Fund) ... ..	15 12 0
		4. Balance being "worth" ... ..	19 8 9
Total ... ..	396 6 6	Total ... ..	396 6 6

### BASUDEBPUR SOCIETY.

(Hooghly.)

RECEIPTS.	Rs. A. P.	EXPENDITURE.	Rs. A. P.
1. Deposits ... ..	139 5 9	1. Loans granted ... ..	175 0 0
2. Loans repaid ... ..	14 4 0		
3. Interest realized ... ..	0 9 6		
4. Balance of last year ... ..	0 12 9		
Total ... ..	175 0 0	Total ... ..	175 0 0
ASSETS.		LIABILITIES.	
1. Loans outstanding ... ..	373 5 0	1. Loan due to Government ... ..	200 0 0
2. Interest on ditto ... ..	41 2 4	2. Interest due on ditto ... ..	20 13 4
3. Deposits in Post Office Savings Bank ... ..	11 4 3	3. Deposits ... ..	159 5 9
		4. Interest on ditto ... ..	7 8 0
Total ... ..	424 14 7	5. Entrance fees (Reserve Fund) ... ..	10 0 0
		6. Balance being "worth" ... ..	27 3 6
		Total ... ..	424 14 7

### LABSA SOCIETY.

(Khulna.)

RECEIPTS.	Rs. A. P.	EXPENDITURE.	Rs. A. P.
1. Loans repaid ... ..	400 0 0	1. Loan granted ... ..	500 0 0
2. Interest realized ... ..	26 7 10	2. Cost of stationery ... ..	0 4 0
3. Entrance fees ... ..	8 12 0	3. Wages of a man ... ..	2 8 0
4. Balance of last year ... ..	800 0 0	4. Balance in hand ... ..	516 7 10
Total ... ..	1,030 8 10	Total ... ..	1,029 8 10
ASSETS.		LIABILITIES.	
1. Loan outstanding ... ..	10 0 0	1. Loan due to Government ... ..	500 0 0
2. Interest on ditto ... ..	0 11 9	2. Interest on ditto ... ..	41 4 0
3. Balance in hand ... ..	516 7 10	3. Entrance fees (Reserve Fund) ... ..	8 13 0
4. Balance (loss) ... ..	13 12 5		
Total ... ..	540 0 0	Total ... ..	540 0 0

## KAYA SOCIETY.

(Rangpur.)

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Loans repaid	...	30 0 0	1. Loans granted	...	71 0 0
2. Interest realized	...	23 2 0	2. Deposit in Post Office Savings Bank	...	2 0 0
3. Entrance fees	...	3 0 0	3. Balance in hand	...	1 0 0
4. Balance of last year	...	21 4 0			
	Total	77 16 0		Total	77 16 0
<b>ASSETS.</b>			<b>LIABILITIES.</b>		
1. Loans outstanding	...	219 13 0	1. Loans due	...	240 0 0
2. Interest outstanding	...	16 8 2	2. Interest due	...	17 0 0
3. Deposit in Post Office Savings Bank	...	13 9 0	3. Reserve fund (entrance fees)	...	13 0 0
4. Balance in hand	...	2 0 0	4. Balance being "worth"	...	34 2 0
	Total	278 2 0		Total	278 2 0

## KALIMPONG SOCIETY.

(Darjeeling.)

NOTE.—No balance sheet could be made out as the accounts were not properly written up.

## ECHA SOCIETY.

(Darjeeling.)

NOTE.—No balance sheet could be made out as the accounts were not properly written up.

## BHALUCOPE SOCIETY.

(Darjeeling.)

NOTE.—No balance sheet could be made out as the accounts were not properly written up.

## SINDIPONG SOCIETY.

(Darjeeling.)

NOTE.—No balance sheet could be made out as the accounts were not properly written up.

## TUSHKHALI SOCIETY.

(Bakergunge.)

RECEIPTS.			EXPENDITURE.		
1. Loan from Government	...	1,500 0 0	1. Loan repaid to Government	...	500 0 0
2. Entrance fees	...	61 0 0	2. Deposit repaid	...	20 0 0
3. Deposit	...	15 0 0	3. Interest paid	...	14 10 0
4. Loans repaid	...	900 0 0	4. Loans granted	...	1,770 0 0
5. Interest realized	...	93 0 0	5. Balance in hand	...	616 0 0
6. Last year's balance	...	302 15 0			
	Total	2,969 15 0		Total	2,969 15 0
<b>ASSETS.</b>			<b>LIABILITIES.</b>		
1. Loans outstanding	...	1,100 0 0	1. Loan due to Government	...	1,500 0 0
2. Interest on ditto	...	68 0 0	2. Interest on ditto	...	24 10 0
3. Balance in hand	...	616 0 0	3. Deposits of members	...	20 0 0
	Total	1,874 0 0	4. Interest on ditto	...	11 7 0
			5. Entrance fees (Reserve Fund)	...	120 0 0
			6. Balance being "worth"	...	118 16 10
	Total	1,874 0 0		Total	1,874 0 0

## MATBARIA SOCIETY.

(Bakergunge.)

RECEIPTS.			EXPENDITURE.		
1. Entrance fees	...	53 0 0	1. Loans granted	...	1,717 0 0
2. Loans repaid	...	1,047 0 0	2. Deposit repaid	...	20 0 0
3. Interest realized	...	67 15 0	3. Interest paid on ditto	...	0 0 0
4. Loan from Government	...	1,500 0 0	4. Balance in hand	...	1,116 0 0
5. Balance of last year	...	221 1 0			
	Total	2,930 1 0		Total	2,930 1 0
<b>ASSETS.</b>			<b>LIABILITIES.</b>		
1. Loans outstanding	...	630 0 0	1. Loan due to Government	...	1,500 0 0
2. Interest outstanding	...	20 0 0	2. Interest on ditto	...	24 11 0
3. Balance in hand	...	1,156 0 0	3. Deposits	...	20 0 0
	Total	1,876 11 0	4. Interest on ditto	...	1 11 0
			5. Entrance fees (Reserve Fund)	...	121 0 0
			6. Balance being "worth"	...	128 0 0
	Total	1,876 11 0		Total	1,876 11 0

## CHAKDHI SOCIETY.

(Patna.)

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Loans repaid	...	518 0 0	1. Loan repaid to Government	...	300 0 0
2. Interest realized	...	16 8 8	2. Interest paid to ditto	...	10 2 0
3. Balance of last year	...	0 6 8	3. Balance in hand	...	24 12 9
	Total	<u>534 14 9</u>		Total	<u>334 14 9</u>
<b>ASSETS.</b>			<b>LIABILITIES.</b>		
1. Balance in hand	...	24 12 9	1. Interest due to Government	...	4 3 0
	Total	<u>24 12 9</u>	2. Deposit	...	8 0 0
			3. Interest on deposit	...	1 10 0
			4. Entrance fees (Reserve Fund)	...	0 8 0
			5. Balance being "worth"	...	10 7 9
			Total	...	<u>24 12 9</u>

## UMDHA SOCIETY.

(Saran.)

RECEIPTS.			EXPENDITURE.		
1. Loans repaid	...	368 8 0	1. Interest paid on Rs. 700 borrowed	...	77 4 0
2. Interest realized	...	138 10 0	2. Deposit in Post Office Savings Bank	...	427 14 0
	Total	<u>505 8 0</u>		Total	<u>505 8 0</u>
<b>ASSETS.</b>			<b>LIABILITIES.</b>		
1. Loans outstanding	...	418 8 0	1. Loan due to Government	...	700 0 0
2. Interest on ditto	...	25 9 11	2. Interest on ditto	...	47 3 8
3. Deposit in Post Office Savings Bank	...	427 14 0	3. Entrance fees (Reserve Fund)	...	13 8 0
4. Interest on ditto and previous balance	...	5 8 8	4. Balance being "worth"	...	114 7 9
	Total	<u>875 8 8</u>		Total	<u>875 8 8</u>

## PARSA SOCIETY.

(Saran.)

RECEIPTS.			EXPENDITURE.		
1. Loan repaid	...	250 11 0	1. Loans granted	...	25 0 0
2. Interest realized	...	18 6 9	2. Balance in hand	...	321 15 6
3. Balance of last year	...	79 13 9		Total	<u>346 15 6</u>
	Total	<u>346 15 6</u>		Total	<u>346 15 6</u>
<b>ASSETS.</b>			<b>LIABILITIES.</b>		
1. Loan outstanding	...	558 7 0	1. Loan due to Hutwa Raj	...	500 0 0
2. Interest on ditto	...	109 8 8	2. Interest on ditto	...	54 10 8
3. Balance in hand	...	321 15 6	3. Entrance fees (Reserve Fund)	...	28 12 0
	Total	<u>986 15 0</u>	4. Balance being "worth"	...	108 8 4
			Total	...	<u>986 15 0</u>

## JALALPORE SOCIETY.

(Saran.)

ASSETS.			LIABILITIES.		
1. Loan outstanding	...	383 0 0	1. Loan due to Hutwa Raj	...	400 0 0
2. Interest on ditto	...	94 1 4	2. Interest on ditto	...	39 5 4
3. Balance in hand	...	49 0 11	3. Entrance fees (Reserve Fund)	...	9 0 0
	Total	<u>525 8 8</u>	4. Balance being "worth"	...	76 12 11
			Total	...	<u>525 8 8</u>

NOTE.—In the cash-book there are no entries for the year 1904-1905. The assets and liabilities have been calculated as above on the presumption that the amount of loans outstanding and amount due to creditors at the end of 1903-1904 have been carried forward to the next year and there had neither been any fresh grant of loans nor any repayment.

## TELPA SOCIETY.

(Saran.)

Account books not received.

## KARIHARIA SOCIETY.

(Saran.)

Account books not received.

## SINGA CHAPRA SOCIETY.

(Champan.)

RECEIPTS.				Rs. A. P.	EXPENDITURE.				Rs. A. P.
1. Loans repaid	...	...	...	37 0 0	1. Loans granted	...	...	...	24 0 0
2. Interest realized	...	...	...	17 15 0	2. Interest paid	...	...	...	15 15 0
3. Withdrawal from Post Office Savings Bank	...	...	...	13 14 0	3. Balance in hand	...	...	...	31 0 0
4. Balance of last year	...	...	...	8 8 0					
Total				72 14 0	Total				72 14 0

ASSETS.				Rs. A. P.	LIABILITIES.				Rs. A. P.
1. Loan outstanding	...	...	...	244 4 0	1. Loan due to Bettiah Raj	...	...	...	2 0 0 0
2. Interest on ditto (12½ per cent.)	...	...	...	34 1 0	2. Interest on ditto (12½ per cent.)	...	...	...	8 7 4
3. Balance in hand	...	...	...	31 4 0	3. Entrance fees (Reserve Fund)	...	...	...	13 0 0
					4. Balance being "worth"	...	...	...	63 1 8
Total				330 9 0	Total				330 9 0

## KHAIRWATOLLA SOCIETY.

(Champan.)

RECEIPTS.				Rs. A. P.	EXPENDITURE.				Rs. A. P.
1. Loan from Bettiah Raj	...	...	...	200 0 0	1. Loans granted	...	...	...	2 0 0 0
2. Deposits	...	...	...	11 0 0	2. Deposit in Post Office	...	...	...	11 0 0
3. Interest realized	...	...	...	18 12 0	3. Interest paid to Bettiah Raj	...	...	...	4 12 0
					4. Balance in hand	...	...	...	13 15 0
Total				229 12 0	Total				229 12 0

ASSETS.				Rs. A. P.	LIABILITIES.				Rs. A. P.
1. Loan outstanding	...	...	...	200 0 0	1. Loan due to Bettiah Raj	...	...	...	2 0 0 0
2. Interest on ditto	...	...	...	4 2 8	2. Interest on ditto	...	...	...	0 11 10
3. Deposit in Post Office	...	...	...	11 0 0	3. Deposits	...	...	...	11 0 0
4. Balance in hand	...	...	...	13 15 0	4. Interest on ditto	...	...	...	0 9 2
					5. Balance being "worth"	...	...	...	10 12 2
Total				229 2 8	Total				229 2 8

## CHAILABAR SOCIETY.

(Champan.)

RECEIPTS.				Rs. A. P.	EXPENDITURE.				Rs. A. P.
1. Interest realized	...	...	...	23 9 0	1. Interest paid	...	...	...	13 0 0
					2. Balance in hand	...	...	...	13 1 0
Total				23 9 0	Total				23 9 0

ASSETS.				Rs. A. P.	LIABILITIES.				Rs. A. P.
1. Loan outstanding	...	...	...	200 0 0	1. Loan due to Bettiah Raj	...	...	...	2 0 0 0
2. Interest on ditto	...	...	...	6 12 0	2. Interest on ditto	...	...	...	24 0 0
3. Deposit in Post Office	...	...	...	7 0 0	3. Entrance fees (Reserve Fund)	...	...	...	7 0 0
4. Balance in hand	...	...	...	13 1 0	4. Balance being "worth"	...	...	...	3 0 0
Total				226 7 0	Total				226 7 0

## MADHUBAN SOCIETY.

(Champan.)

RECEIPTS.				Rs. A. P.	EXPENDITURE.				Rs. A. P.
1. Loans repaid	...	...	...	251 0 0	1. Loans granted	...	...	...	274 0 0
2. Interest realized	...	...	...	25 8 8	2. Interest paid	...	...	...	24 0 0
3. Entrance fees	...	...	...	0 0 0	3. Balance in hand	...	...	...	9 7 1
4. Balance of last year	...	...	...	1 11 7					
Total				263 12 10	Total				263 12 10

ASSETS.				Rs. A. P.	LIABILITIES.				Rs. A. P.
1. Loans outstanding	...	...	...	224 0 0	1. Loan due to Madhuban Baba	...	...	...	204 0 0
2. Interest on ditto	...	...	...	46 1 7	2. Interest on ditto	...	...	...	4 8 10
3. Deposit in Post Office Savings Bank	...	...	...	17 4 0	3. Entrance fees (Reserve Fund)	...	...	...	24 0 0
4. Balance in hand	...	...	...	9 7 1	4. Balance being "worth"	...	...	...	29 16 10
Total				296 12 8	Total				296 12 8

## BETOWNA SOCIETY.

(Champan.)

RECEIPTS.				Rs. A. P.	EXPENDITURE.				Rs. A. P.
1. Loans repaid	...	...	...	370 0 0	NIL				
2. Interest realized	...	...	...	75 0 0	In hand	...	...	...	2 1 0 0
3. Balance of last year	...	...	...	7 8 0					
Total				352 8 0	Total				2 1 0 0

ASSETS.				Rs. A. P.	LIABILITIES.				Rs. A. P.
1. Balance in hand	...	...	...	2 1 0 0	1. Loan due to Bettiah Raj	...	...	...	2 0 0 0
2. Deposit in Post Office Savings Bank	...	...	...	10 4 0	2. Interest on ditto (up to June 1903)	...	...	...	24 11 0
3. Interest on ditto	...	...	...	0 12 0	3. Entrance fees (Reserve Fund)	...	...	...	19 0 0
4. Interest due from members (up to June 1903)	...	...	...	18 12 0	4. Balance being "worth"	...	...	...	23 8 0
Total				412 8 0	Total				412 8 0

## JOGIARA SOCIETY.

(Darbhanga.)

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Loans repaid	...	150 0 0	1. Deposit in Post Office	...	192 0 0
2. Interest realized	...	13 4 8	2. Loans granted	...	301 12 0
3. Entrance fees	...	4 8 0	3. Balance in hand	...	0 1 3
4. Deposit of air punch	...	100 0 0			
5. Withdrawal from Post Office Savings Bank	...	226 1 0			
<b>Total</b>		<b>493 13 3</b>	<b>Total</b>		<b>493 13 3</b>
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	301 12 0	1. Loan due to Government	...	150 0 0
2. Interest on ditto	...	19 11 4	2. Interest on ditto	...	29 11 0
3. Balance in hand	...	0 1 3	3. Deposit of air punch	...	100 0 0
			4. Interest on ditto at Rs. 3.4 per cent.	...	3 10 3
			5. Entrance fees (Reserve Fund)	...	14 12 0
			6. Balance being "worth"	...	23 7 4
<b>Total</b>		<b>321 8 7</b>	<b>Total</b>		<b>321 8 7</b>

## DALSINGSERAI SOCIETY.

(Darbhanga.)

RECEIPTS.			EXPENDITURE.		
1. Loans repaid	...	804 6 7½	1. Loans granted	...	453 0 0
2. Interest realized	...	65 4 11½	2. Interest paid	...	14 8 6
3. Entrance fees	...	9 0 0	3. Remitted to Narhan Estate	...	460 18 7½
4. Interest refunded	...	41 13 7			
5. Balance of last year	...	13 11 8			
6. Amount taken to make up balance	...	0 1 8½			
<b>Total</b>		<b>934 6 1½</b>	<b>Total</b>		<b>934 6 1½</b>
ASSETS.			LIABILITIES.		
1. Deposited with the Manager, Narhan Estate	...	466 13 7½	1. Loan due to Narhan Estate	...	310 0 0
			2. Interest on ditto	...	61 6 6
			3. Entrance fees (Reserve Fund)	...	30 8 0
			4. Amount taken to make up balance	...	0 1 3½
			5. Balance being "worth"	...	64 13 10
<b>Total</b>		<b>466 13 7½</b>	<b>Total</b>		<b>466 13 7½</b>

## BAKTIARPORE SOCIETY.

(Darbhanga.)

RECEIPTS.			EXPENDITURE.		
1. Loans repaid	...	183 10 3	1. Deposit in Post Office Savings Bank	...	211 15 0
2. Interest realized	...	27 7 0			
3. Balance of last year	...	0 13 9			
<b>Total</b>		<b>211 15 0</b>	<b>Total</b>		<b>211 15 0</b>
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	66 0 0	1. Loan due to Government	...	200 0 0
2. Interest on ditto	...	13 10 3	2. Interest on ditto	...	32 4 8
3. Deposited in Post Office Savings Bank	...	229 3 0	3. Deposits of members	...	27 0 0
			4. Interest on ditto	...	3 3 10
			5. Entrance fees (Reserve Fund)	...	12 0 0
			6. Balance being "worth"	...	40 3 9
<b>Total</b>		<b>313 13 3</b>	<b>Total</b>		<b>313 13 3</b>

## ROHIKA SOCIETY.

(Darbhanga.)

RECEIPTS.			EXPENDITURE.		
1. Loan from Raj	...	520 0 0	1. Loans granted	...	520 0 0
2. Loans repaid	...	477 0 0	2. Repayment to Raj	...	469 0 0
3. Interest realized	...	60 15 6	3. Interest paid to Raj	...	55 11 4½
4. Entrance fees	...	3 8 0	4. Interest of Post Office Savings Bank	...	0 14 3
5. Interest of Post Office Savings Bank	...	0 14 3	5. Deposit in ditto	...	3 8 0
6. Refund of interest	...	1 14 9	6. Balance in hand	...	15 13 1½
7. Balance of last year	...	0 9 2			
<b>Total</b>		<b>1,064 13 9</b>	<b>Total</b>		<b>1,064 13 9</b>
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	516 0 0	1. Loan due to Raj	...	520 0 0
2. Interest outstanding	...	43 3 10	2. Interest on ditto	...	32 8 0
3. Deposit in Post Office Savings Bank	...	30 0 0	3. Entrance fees (Reserve Fund)	...	30 0 0
4. Interest on ditto	...	0 14 3	4. Balance being "worth"	...	25 5 2½
5. Balance in hand	...	15 13 1½			
<b>Total</b>		<b>605 13 2½</b>	<b>Total</b>		<b>605 13 2½</b>

## RAMPATTI SOCIETY.

(Darbhanga.)

RECEIPTS.		Ra. A. P.	EXPENDITURE.		Ra. A. P.
1. Loans repaid	...	612 0 0	1. Loan repaid to Raj Darbhanga	...	600 0 0
2. Interest realized	...	66 8 6	2. Interest paid on ditto	...	26 8 6
3. Entrance fees	...	1 8 0	3. Loans granted	...	633 0 0
4. Loan from Raj Darbhanga	...	400 0 0	4. Deposit in Post Office Savings Bank	...	10 1 0
5. Interest of Post Office Savings Bank	...	0 9 8	5. Balance in hand	...	111 0 0
6. Balance of last year	...	8 10 0			
<b>Total</b>		<b>1,083 18 0</b>	<b>Total</b>		<b>1,083 18 0</b>
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	633 0 0	1. Loan due to Raj Darbhanga	...	600 0 0
2. Interest on ditto	...	67 11 11	2. Interest on ditto	...	26 8 6
3. Deposit in Post Office Savings Bank	...	81 1 8	3. Deposit	...	10 0 0
4. Balance in hand	...	1 11 0	4. Interest on ditto	...	10 1 0
			5. Entrance fees (Reserve Fund)	...	31 8 0
			6. Balance being "worth"	...	66 0 0
<b>Total</b>		<b>723 8 8</b>	<b>Total</b>		<b>723 8 8</b>

## PHULWARIA SOCIETY.

(Muzaffarpur.)

RECEIPTS.			EXPENDITURE.		
1. Loan from Mr. Martin	...	1,000 0 0	1. Loans granted	...	1,140 0 0
2. Deposits	...	71 12 6	2. Repaid to Mr. Martin	...	1,000 0 0
3. Interest realized	...	139 10 8	3. Interest paid to ditto	...	171 1 8
4. Loans repaid	...	1,150 4 0	4. Balance in hand	...	150 10 9
5. Balance of last year	...	66 13 1			
<b>Total</b>		<b>2,437 8 0</b>	<b>Total</b>		<b>2,437 8 0</b>
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	94 13 1	1. Loan due to Mr. Martin	...	68 7 11
2. Balance in hand	...	150 14 9	2. Deposits	...	92 16 0
			3. Interest due on ditto	...	8 8 10
			4. Reserve fund	...	25 13 4
			5. Balance being "worth"	...	76 4 1
<b>Total</b>		<b>253 11 10</b>	<b>Total</b>		<b>253 11 10</b>

## HARDI SOCIETY.

(Muzaffarpur.)

RECEIPTS.			EXPENDITURE.		
1. Loans repaid	...	1,586 0 0	1. Loans granted	...	1,113 0 0
2. Interest realized	...	138 11 0	2. Deposits repaid	...	74 0 0
3. Deposit	...	70 8 0	3. Balance in hand	...	746 10 9
4. Loan from Babu Kishen Prasad Narain Singh	...	900 11 9			
<b>Total</b>		<b>1,995 0 8</b>	<b>Total</b>		<b>1,995 0 8</b>
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	47 0 0	1. Loan due to Babu Kishen Prasad	...	670 13 0
2. Interest ditto	...	4 8 8	2. Interest on ditto	...	64 0 0
3. Balance in hand	...	788 14 9	3. Deposit	...	18 7 0
			4. Interest on ditto	...	4 4 0
			5. Balance being "worth"	...	127 8 0
<b>Total</b>		<b>838 4 0</b>	<b>Total</b>		<b>838 4 0</b>

## PANCHANANDPORE SOCIETY.

(Malda.)

RECEIPTS.			EXPENDITURE.		
1. Loan from Government	...	500 0 0	1. Loans granted	...	500 0 0
2. Entrance fees	...	23 4 0	2. Balance in hand	...	23 4 0
<b>Total</b>		<b>523 4 0</b>	<b>Total</b>		<b>523 4 0</b>
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	500 0 0	1. Loan due to Government at 6% per cent.	...	500 0 0
2. Interest on ditto at 9% per cent.	...	25 1 0	2. Interest on ditto for 14 months, d.e., from February 1904 to March 1905	...	20 7 4
3. Balance in hand	...	23 4 0	3. Entrance fees (Reserve Fund)	...	23 4 0
4. Balance (loss)	...	11 8 10			
<b>Total</b>		<b>529 11 4</b>	<b>Total</b>		<b>529 11 4</b>

## BALTARA SOCIETY.

(Monghyr.)

RECEIPTS.			EXPENDITURE.		
1. Entrance fees	...	10 0 0	1. Loans granted	...	10 0 0
2. Balance in hand of last year	...	210 0 0	2. Balance in hand	...	100 0 0
<b>Total</b>		<b>220 0 0</b>	<b>Total</b>		<b>220 0 0</b>
ASSETS.			LIABILITIES.		
1. Loan outstanding	...	10 0 0	1. Deposits	...	20 0 0
2. Interest on ditto at 12% per cent.	...	1 0 0	2. Interest on ditto at 6% per cent.	...	0 0 0
3. Balance in hand	...	190 0 0	3. Entrance fees (Reserve Fund)	...	10 0 0
4. Balance (loss)	...	7 14 0			
<b>Total</b>		<b>219 0 0</b>	<b>Total</b>		<b>219 0 0</b>



AMOSI SOCIETY.

(Monghyr.)

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Balance in hand	...	202 8 0	1. Loans granted	...	195 0 0
			2. Balance in hand	...	7 8 0
	Total	202 8 0		Total	202 8 0
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	195 0 0	1. Deposits	...	200 0 0
2. Interest on ditto	...	14 13 6	2. Interest due on ditto	...	19 8 0
3. Balance in hand	...	7 8 0	3. Entrance fees (Reserve Fund)	...	2 8 0
4. Balance (loss)	...	4 10 6			
	Total	223 0 0		Total	223 0 0

BAKHTIARPORE SOCIETY.

(Monghyr.)

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Deposits of members	...	1,112 6 0	1. Loans granted	...	448 0 0
2. Loans repaid	...	41 12 0	2. Purchase of <i>hundi</i> paper	...	6 6 0
3. Interest realised	...	10 8 9	3. Balance in hand	...	712 4 9
	Total	1,164 10 9		Total	1,164 10 9
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	404 4 0	1. Deposits of members	...	1,112 6 0
2. Interest on ditto at 12½ per cent.	...	32 2 6	2. Interest on ditto at 6½ per cent.	...	28 13 4
3. Balance in hand	...	712 4 9	3. Balance being "worth"	...	10 7 11
	Total	1,148 11 3		Total	1,148 11 3

CHOWTHAM SOCIETY.

(Monghyr.)

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Deposits	...	330 8 0	1. Loans granted	...	267 0 0
			2. Balance in hand	...	63 8 0
	Total	330 8 0		Total	330 8 0
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	267 0 0	1. Deposits	...	330 8 0
2. Interest on ditto at 12½ per cent.	...	4 8 10	2. Interest on ditto at 6½ per cent.	...	11 6 10
3. Balance in hand	...	63 8 0			
4. Balance (loss)	...	7 0 0			
	Total	341 14 10		Total	341 14 10

NANDANPORE SOCIETY.

(Purnea.)

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Loan from Catholic Mission	...	400 0 0	1. Loans granted	...	408 6
2. Loans repaid	...	24 0 0	2. Balance in hand	...	17 10
	Total	424 0 0		Total	424 0 0
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	388 6 0	1. Loan due to Catholic Mission	...	400 0 0
2. Interest on ditto	...	31 14 4	2. Balance being "worth"	...	31 14 4
3. Balance in hand	...	17 10 0			
	Total	431 14 4		Total	431 14 4

N. B.—No interest to be paid on Rs. 400 borrowed from Catholic Mission till 1st June 1905.

MARANGA SOCIETY.

(Purnea.)

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Loan from Central Bank	...	100 0 0	1. Loans granted	...	179 0 0
2. Shares paid	...	108 8 0	2. Repaid to Central Bank	...	37 0 0
3. Entrance fees	...	5 0 0	3. Interest paid to ditto	...	4 6 10
4. Loans repaid	...	9 0 0	4. Purchase of stamps	...	0 9 0
5. Interest realised	...	0 14 4½	5. Admission fee paid to the Central Bank	...	0 4 0
			6. Purchase of stationery	...	1 0 3
			7. Cart-hire	...	0 10 6
			8. Balance in hand	...	0 7 9½
	Total	223 6 4½		Total	223 6 4½
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	179 0 0	1. Loan due to Central Bank	...	63 0 0
2. Interest on ditto	...	8 0 7½	2. Amount of shares	...	108 8 0
3. Balance in hand	...	0 7 9½	3. Entrance fees (Reserve Fund)	...	5 0 0
	Total	179 8 5	4. Balance being "worth"	...	2 0 5
				Total	179 8 5

**GANDO SOCIETY.**

(*Sonthal Parganas.*)

RECEIPTS.				Rs. A. P.	EXPENDITURE.				R. A. P.
1. Last year's balance	...	...	...	384 13 8	1. Loans granted	...	...	...	194 7 3
2. Loan from Government	...	...	...	473 6 0	2. Interest paid to Bankara Ward's estate	...	...	...	18 12 0
3. Loans repaid	...	...	...	833 7 3	3. Repaid to Government (loan and interest)	...	...	...	3-1 16 0
4. Interest realized	...	...	...	104 12 9	4. Balance in hand	...	...	...	441 8 0
Total				1,500 7 3	Total				1,500 7 3
ASSETS.					LIABILITIES.				
1. Balance in hand	...	...	...	441 8 0	1. Loans due to Bankara Ward's estate	...	...	...	3-0 0 0
Total				441 8 0	2. Interest on ditto	...	...	...	18 12 0
					3. Entrance fees (Reserve Fund)	...	...	...	37 6 0
					4. Balance being "worth"	...	...	...	44 8 0
					Total				441 8 0

**DIGHI SOCIETY.**

(*Sonthal Parganas.*)

RECEIPTS.				Rs. A. P.	EXPENDITURE.				R. A. P.
1. Balance of last year	...	...	...	319 12 0	1. Loans granted	...	...	...	444 12 0
2. Loan from Government	...	...	...	144 10 0	2. Interest paid to Bankara estate	...	...	...	13 10 0
3. Loans repaid	...	...	...	404 12 0	3. Repaid to Government	...	...	...	144 10 0
4. Interest realized	...	...	...	86 1 9	4. Interest paid to Government	...	...	...	9 0 0
Total				909 4 9	5. Balance in hand	...	...	...	231 8 0
Total				909 4 9	Total				909 4 9
ASSETS.					LIABILITIES.				
1. Balance in hand	...	...	...	331 8 0	1. Loan due to Bankara estate	...	...	...	150 0 0
Total				331 8 0	2. Interest due on ditto	...	...	...	13 10 0
					3. Entrance fees (Reserve Fund)	...	...	...	30 8 0
					4. Balance being "worth"	...	...	...	66 7 0
					Total				331 8 0

**SATGAWAN SOCIETY.**

(*Sonthal Parganas.*)

RECEIPTS.				Rs. A. P.	EXPENDITURE.				R. A. P.
1. Balance of last year	...	...	...	323 10 9	1. Loans granted	...	...	...	373 0 0
2. Loan from Government	...	...	...	67 0 0	2. Interest paid to Bankara estate	...	...	...	13 10 0
3. Loans repaid	...	...	...	375 0 9	3. Repaid to Government	...	...	...	67 0 0
4. Interest realized	...	...	...	46 14 0	4. Interest paid ditto	...	...	...	4 0 0
Total				812 9 6	5. Balance in hand	...	...	...	350 11 0
Total				812 9 6	Total				812 9 6
ASSETS.					LIABILITIES.				
1. Balance in hand	...	...	...	330 11 0	1. Loan due to Bankara estate	...	...	...	150 0 0
Total				330 11 0	2. Interest due on ditto	...	...	...	13 10 0
					3. Entrance fees (Reserve Fund)	...	...	...	30 0 0
					4. Balance being "worth"	...	...	...	60 1 0
					Total				330 11 0

**KUSHIPAHARI SOCIETY.**

(*Sonthal Parganas.*)

RECEIPTS.				Rs. A. P.	EXPENDITURE.				R. A. P.
1. Balance of last year	...	...	...	243 9 3	1. Loans granted	...	...	...	371 1 3
2. Loan from Government	...	...	...	350 0 0	2. Interest paid to Bankara estate	...	...	...	13 0 0
3. Loans repaid	...	...	...	541 1 3	3. Repaid to Government	...	...	...	3-0 0 0
4. Interest realized	...	...	...	72 10 0	4. Interest paid ditto	...	...	...	21 14 0
Total				1,247 4 6	5. Balance in hand	...	...	...	231 13 3
Total				1,247 4 6	Total				1,247 4 6
ASSETS.					LIABILITIES.				
1. Balance in hand	...	...	...	231 13 3	1. Loan due to Bankara estate	...	...	...	3-0 0 0
Total				231 13 3	2. Interest due ditto	...	...	...	13 0 0
					3. Entrance fees (Reserve Fund)	...	...	...	7 10 0
					4. Balance being "worth"	...	...	...	61 11 3
					Total				231 13 3

**KADMA SOCIETY.**

(*Sonthal Parganas.*)

RECEIPTS.				Rs. A. P.	EXPENDITURE.				R. A. P.
1. Balance of last year	...	...	...	369 7 6	1. Loans granted	...	...	...	754 11 0
2. Loan from Government	...	...	...	408 0 0	2. Repaid to Government	...	...	...	6-4 0 0
3. Loans repaid	...	...	...	754 11 6	3. Interest paid on ditto	...	...	...	25 0 0
4. Interest realized	...	...	...	96 5 0	4. Interest paid to Bankara estate	...	...	...	18 10 0
Total				1,628 8 6	5. Balance in hand	...	...	...	419 13 0
Total				1,628 8 6	Total				1,628 8 6
ASSETS.					LIABILITIES.				
1. Balance in hand	...	...	...	419 13 0	1. Loan due to Bankara estate	...	...	...	3-0 0 0
Total				419 13 0	2. Interest on ditto	...	...	...	18 10 0
					3. Entrance fees (Reserve Fund)	...	...	...	16 0 0
					4. Balance being "worth"	...	...	...	66 0 0
					Total				419 13 0

**DHAKAJOLE SOCIETY.**

(*Sonthal Parganas.*)

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Loan from Government	...	361 0 0	1. Interest paid to Sankara estate	...	19 8 0
2. Loans repaid	...	592 9 0	2. Loans granted	...	592 9 0
3. Interest realized	...	74 1 0	3. Repaid to Government	...	361 0 0
4. Balance of last year	...	249 1 0	4. Interest paid to ditto	...	29 9 0
			5. Balance in hand	...	283 1 0
	Total	1,271 11 0		Total	1,271 11 0
<b>ASSETS.</b>			<b>LIABILITIES.</b>		
1. Balance in hand	...	283 1 0	1. Loan due to Sankara estate	...	200 0 0
	Total	283 1 0	2. Interest due on ditto	...	12 8 0
			3. Entrance fees (Reserve Fund)	...	8 6 0
			4. Balance being "worth"	...	62 3 0
			Total	283 1 0	

**NUAPARHI SOCIETY.**

(*Balasore.*)

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Deposit	...	118 8 11	1. Repaid to Government	...	50 0 0
2. Entrance fees	...	10 0 0	2. Interest paid to ditto	...	40 4 4
3. Loans repaid	...	219 0 0	3. Deposits repaid	...	32 5 11
4. Interest realized	...	34 8 9	4. Loans granted	...	280 0 0
5. Miscellaneous	...	0 4 0	5. Purchase of stationery, etc.	...	1 2 4
6. Balance of last year	...	260 6 0	6. Deposit in Post Office Savings Bank	...	11 13 0
	Total	636 8 8	7. Balance in hand	...	221 0 1
			Total	636 8 8	
<b>ASSETS.</b>			<b>LIABILITIES.</b>		
1. Balance in hand	...	221 0 1	1. Loans due to Government	...	230 0 0
2. Loans outstanding	...	213 0 0	2. Interest on ditto	...	17 1 2
3. Interest ditto	...	18 8 2	3. Deposit	...	114 0 0
4. Deposited in Post Office Savings Bank	...	26 8 0	4. Interest on ditto	...	9 6 3
	Total	477 14 8	5. Entrance fees (Reserve Fund)	...	26 8 0
			6. Balance being "worth"	...	60 14 10
			Total	477 14 8	

**SARGAN SOCIETY.**

(*Balasore.*)

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Deposits of members	...	51 2 6	1. Deposits repaid	...	50 0 0
2. Entrance fees	...	1 4 0	2. Interest paid on ditto	...	1 2 6
3. Loans repaid	...	50 0 0	3. Loans granted	...	60 0 0
4. Interest realized	...	8 5 0	4. Balance in hand	...	17 6 5
5. Balance of last year	...	13 13 5			
	Total	118 8 11		Total	118 8 11
<b>ASSETS.</b>			<b>LIABILITIES.</b>		
1. Balance in hand	...	17 6 5	1. Deposits of members	...	14 11 6½
2. Deposited in Post Office Savings Bank	...	36 2 0	2. Interest on ditto	...	0 13 0
	Total	53 8 5	3. Entrance fees (Reserve Fund)	...	24 8 0
			4. Balance being "worth"	...	13 7 10½
			Total	53 8 5	

**ORORA SOCIETY.**

(*Balasore.*)

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Balance of last year	...	81 14 0	1. Loans granted	...	101 0 0
2. Entrance fees	...	9 12 0	2. Interest deposited in sub-treasury	...	24 6 10
3. Loans repaid	...	66 0 0	3. Balance in hand	...	48 15 4
4. Interest realized	...	23 12 2			
	Total	179 6 2		Total	174 6 2
<b>ASSETS.</b>			<b>LIABILITIES.</b>		
1. Loans outstanding	...	303 14 4	1. Loans due to Government	...	300 0 0
2. Interest on ditto	...	19 12 8	2. Interest on ditto	...	19 5 2
3. Balance in hand	...	48 18 4	3. Entrance fees (Reserve Fund)	...	14 0 0
	Total	372 10 1	4. Balance being "worth"	...	39 4 11
			Total	372 10 1	

**SUBARNAPUR SOCIETY.**

(*Cuttack.*)

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Loans repaid	...	317 5 6	1. Loans granted	...	405 8 0
2. Interest realized	...	34 8 1½	2. Interest paid to Government	...	18 12 0
3. Withdrawn from Savings Bank	...	61 0 0	3. Balance in hand	...	0 0 4½
4. Entrance fees	...	9 8 0			
5. Balance of last year	...	0 1 9			
	Total	423 4 4½		Total	423 4 4½
<b>ASSETS.</b>			<b>LIABILITIES.</b>		
1. Loans outstanding	...	353 8 0	1. Loans due to Government	...	300 0 0
2. Interest on ditto	...	18 9 10	2. Interest on ditto	...	17 3 8
3. Balance in hand	...	0 0 4½	3. Deposit	...	1 0 0
4. In savings Bank	...	0 8 0	4. Interest on ditto	...	0 1 4
	Total	366 10 1½	5. Entrance fees (Reserve Fund)	...	51 0 0½
			6. Balance being "worth"	...	29 5 10
			Total	366 10 1½	

CHARCHIKA SOCIETY.

(Cutlack.)

RECEIPTS.		Ra. A. P.	EXPENDITURE.		Ra. A. P.
1. Balance of last year	...	59 3 3	1. Deposits repaid	...	54 0 0
2. Loans repaid	...	437 0 0	2. Loans granted	...	43 0 0
3. Entrance fees	...	14 8 0	3. Interest deposited in Bank/Treasury	...	14 12 0
4. Interest realized	...	57 9 8	4. Deposited in Savings Bank	...	3 0 0
			5. Balance in hand	...	5 15 11
	Total	527 4 11		Total	527 4 11
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	443 0 0	1. Loans due to Government	...	54 0 0
2. Interest on ditto	...	25 0 10	2. Interest on ditto	...	17 2 0
3. In Savings Bank	...	81 12 0	3. Deposits	...	14 0 0
4. Balance in hand	...	6 15 11	4. Interest on ditto	...	14 4 7
	Total	555 12 9	5. Entrance fees (Reserve Fund)	...	14 0 0
			6. Balance being "worth"	...	14 5 3
			Total		555 12 9

BARAPUT SOCIETY.

(Cutlack.)

RECEIPTS.			EXPENDITURE.		
1. Balance of previous year (In Post Office Savings Bank)	...	50 8 0	1. Loans granted	...	400 0 0
2. Loans repaid	...	490 0 0	2. Deposited into the Bank/Treasury	...	75 0 0
3. Interest realized	...	26 0 0	3. Balance in Post Office Savings Bank	...	68 0 0
4. Entrance fees	...	7 8 0		Total	603 0 0
	Total	483 0 0			
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	400 0 0	1. Loans due to Government	...	400 0 0
2. Interest on ditto	...	41 10 8	2. Interest on ditto	...	75 0 0
3. Savings Bank deposit	...	68 0 0	3. Entrance fees (Reserve Fund)	...	68 0 0
	Total	489 10 8	4. Balance being "worth"	...	43 12 0
			Total		489 10 8

TARABHOI SOCIETY.

(Puri.)

ASSETS.			LIABILITIES.		
1. Loan outstanding	...	207 0 0	1. Loans due to Government	...	200 0 0
2. Interest on ditto	...	7 8 0	2. Interest on ditto for 1925-26	...	1 4 10
3. Balance in hand	...	1 8 0	3. Ditto ditto for 1925-26	...	12 10 0
4. Balance (loss)	...	1 9 10	4. Ditto ditto for 1925-26	...	12 10 0
	Total	207 4 10	5. Entrance fees (Reserve Fund)	...	54 12 0
			Total		207 4 10

NOTE.—The accounts have not been properly kept and the above figures are not quite reliable.

BALUGAON SOCIETY.

(Puri.)

RECEIPTS.			EXPENDITURE.		
1. Loans from Government	...	400 0 0	1. Loans granted	...	400 0 0
2. Loans repaid	...	416 0 0	2. Balance in hand	...	40 11 0
3. Interest realized	...	46 11 0		Total	440 11 0
	Total	862 11 0			
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	400 0 0	1. Loans due to Government	...	400 0 0
2. Interest on ditto	...	17 11 0	2. Interest on ditto	...	40 11 0
3. Balance in hand	...	46 11 0	3. Balance being "worth"	...	21 0 0
	Total	463 0 0	Total		461 0 0

BOLGARH SOCIETY.

(Puri.)

RECEIPTS.			EXPENDITURE.		
1. Loan from Government	...	500 0 0	1. Loans granted	...	400 0 0
	Total	500 0 0	2. Balance in hand	...	40 0 0
				Total	440 0 0
ASSETS.			LIABILITIES.		
1. Loans outstanding	...	400 0 0	1. Loans due to Government	...	400 0 0
2. Interest on ditto	...	44 7 6	2. Interest on ditto	...	40 0 0
3. Balance in hand	...	40 0 0	3. Balance being "worth"	...	18 0 10
	Total	484 7 6	Total		440 0 0

NIMAPARA SOCIETY.

(Puri).

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Deposits	...	160 0 0	1. Loans granted	...	1,854 0 0
2. Entrance fees	...	1 0 0	2. Miscellaneous expenditure	...	282 7 0
3. Loans repaid	...	1,751 0 0	3. Balance in hand	...	76 4 0
4. Interest realized	...	78 15 7			
5. Interest realized	...	115 0 0			
6. Miscellaneous receipt	...	106 11 5			
7. Balance of last year	...				
<b>Total</b>		<b>2,212 11 0</b>	<b>Total</b>		<b>2,212 11 0</b>

ASSETS.		Rs. A. P.	LIABILITIES.		Rs. A. P.
1. Loans outstanding	...	810 0 0	1. Loans due to Government	...	500 0 0
2. Interest on ditto	...	83 5 3	2. Interest on ditto	...	78 14 8
3. In hand	...	101 4 0	3. Deposits	...	301 10 0
			4. Interest on ditto	...	28 4 7
			5. Entrance fees (Reserve Fund)	...	25 4 0
			6. Balance being "worth"	...	62 8 1
<b>Total</b>		<b>1,068 9 4</b>	<b>Total</b>		<b>1,068 9 4</b>

CHENEY SOCIETY.

(Ranchi).

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Loans repaid	...	50 0 0	1. Deposit in Post Office Savings Bank	...	100 14 7
2. Interest realized	...	18 5 0	2. Interest paid to Government	...	23 9 0
3. Withdrawn from Post Office Savings Bank	...	99 9 0			
4. Balance of last year	...	62 9 7			
<b>Total</b>		<b>129 7 7</b>	<b>Total</b>		<b>129 7 7</b>

ASSETS.		Rs. A. P.	LIABILITIES.		Rs. A. P.
1. Loans outstanding	...	123 8 0	1. Loan due to Government	...	150 0 0
2. Deposit in Post Office Savings Bank	...	72 5 7	2. Entrance fees (Reserve Fund)	...	5 19 0
			3. Balance being "worth"	...	9 19 7
<b>Total</b>		<b>195 8 7</b>	<b>Total</b>		<b>195 8 7</b>

LOOPONGTOLI SOCIETY.

(Ranchi).

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Loans repaid	...	20 0 0	1. Deposit in the Post Office Savings Bank	...	40 4 3
2. Interest realized	...	9 13 0			
3. Balance of last year	...	10 8 3			
<b>Total</b>		<b>40 4 3</b>	<b>Total</b>		<b>40 4 3</b>

ASSETS.		Rs. A. P.	LIABILITIES.		Rs. A. P.
1. Loans outstanding	...	68 4 0	1. Loan due to Government	...	120 0 0
2. Deposit in Post Office Savings Bank	...	40 4 3	2. Entrance fees (Reserve Fund)	...	3 0 0
3. Balance (loss)	...	19 7 9			
<b>Total</b>		<b>123 0 0</b>	<b>Total</b>		<b>123 0 0</b>

RAMPURA SOCIETY.

(Ranchi).

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Loans repaid	...	51 0 0	1. Deposit in Post Office Savings Bank	...	64 0 0
2. Interest realized	...	25 8 6	2. Loans granted	...	2 8 0
3. Balance of last year	...	10 0 0	3. Balance in hand	...	0 0 6
<b>Total</b>		<b>66 8 6</b>	<b>Total</b>		<b>66 8 6</b>

ASSETS.		Rs. A. P.	LIABILITIES.		Rs. A. P.
1. Loans outstanding	...	197 13 6	1. Loan due to Government	...	150 10 0
2. Deposit in Post Office Savings Bank	...	64 0 0	2. Entrance fees (Reserve Fund)	...	5 13 0
3. Balance in hand	...	0 0 6	3. Balance being "worth"	...	99 7 0
<b>Total</b>		<b>261 13 6</b>	<b>Total</b>		<b>261 13 6</b>

NOTE.—The accounts of Cheney, Loopongtoli and Rampur Societies have been kept in one book and mixed up. The figures have been separated above as far as possible.

SIDROLE SOCIETY.

(Ranchi).

RECEIPTS.		Rs. A. P.	EXPENDITURE.		Rs. A. P.
1. Interest realized	...	25 0 0	1. Interest paid	...	25 0 0
2. Balance of last year	...	36 1 6	2. Deposit in Post Office	...	36 1 6
<b>Total</b>		<b>61 1 6</b>	<b>Total</b>		<b>61 1 6</b>

ASSETS.		Rs. A. P.	LIABILITIES.		Rs. A. P.
1. Loans outstanding	...	200 0 0	1. Loan due to Wards Estate	...	200 0 0
2. Deposit in Post Office	...	62 5 6	2. Entrance fees (Reserve Fund)	...	6 4 0
3. Interest on ditto	...	6 3 8	3. Balance being "worth"	...	26 4 8
<b>Total</b>		<b>268 8 8</b>	<b>Total</b>		<b>268 8 8</b>

MATWARI SOCIETY.

(Hazaribagh.)

RECEIPTS.				Rs. A. P.	EXPENDITURE.				Rs. A. P.
1. Interest realized	...	...	...	49 4 0	1. Loans granted	...	...	...	140 0 0
2. Deposits	...	...	...	5 0 0	2. Interest paid	...	...	...	5 0 0
3. Balance of last year	...	...	...	79 2 0	3. Balance in hand	...	...	...	23 0 0
Total				133 6 0	Total				168 0 0

ASSETS.					LIABILITIES.				
1. Loans outstanding	...	...	...	400 0 0	1. Loan due to Government	...	...	...	270 0 0
2. Balance in hand	...	...	...	23 0 0	2. Interest on ditto	...	...	...	5 7 0
Total				423 0 0	3. Entrance fees (Reserve Fund)	...	...	...	15 0 0
					4. Deposits	...	...	...	5 0 0
					5. Interest on ditto	...	...	...	0 2 1
					6. Balance being "worth"	...	...	...	20 13 0
					Total				423 0 0

KORRA SOCIETY.

(Hazaribagh.)

NOTE.—No balance sheet could be made out as the accounts were not properly written up.

HOORHOOROO.

(Hazaribagh.)

NOTE.—No balance sheet could be made out as the accounts were not properly written up.

CALCUTTA, }  
The 12th August 1905.

W. R. GOURLAY, I.C.S.,  
Registrar, Coöperative Credit Societies, Bengal.

# REVENUE DEPARTMENT.

## LAND REVENUE.

DARJEELING, THE 9TH SEPTEMBER 1905.

### RESOLUTION No. 3032T.—R.

#### READ—

Government Order No. 966T.—R., dated 27th May 1904, regarding the establishment of Co-operative Credit Societies under Act X of 1901, and its enclosures.

#### Read also—

A Report No. 3790.C.S., dated 12th August 1905, from the Registrar of Co-operative Credit Societies, Bengal, on the working of the Co-operative Credit Societies in Bengal for the year 1904-1905.

As this is his first annual report the Registrar has given a short account of the history of the co-operative credit movement in India from the enquiries made by Sir Frederic Nicholson in 1892 to the passing of Act X of 1901.

2. Before Mr. Gourlay took over charge of the duties of Registrar, he was permitted to take leave in order that he might acquaint himself with the principles under which Societies had succeeded in western lands. Mr. Gourlay was enabled to visit Ireland, Germany, Austria, Hungary, Italy and Egypt, and thus to go to the centres in which co-operation has succeeded, and to see for himself the working of successful societies in the villages themselves. The information which he collected was recorded in a note which was submitted to the Board of Revenue on his return.

3. Before Act X of 1901 came into force, there were in the districts of this province 58 pioneer societies, founded mainly through the energy of Mr. P. C. Lyon, who was on special duty with this object from November 1901 to February 1902. From the report it appears that there are now 67 societies, of which 32 are in Government estates, 16 in Wards' estates and 19 in private estates. The four societies in Midnapore were founded at the close of the year.

4. The most interesting part of the report is the statistical information concerning each of the societies which is given in two tables at the end. A close examination of these tables shows, as Mr. Gourlay points out, that the progress of the movement must not be overestimated. It would not be difficult to make a show and create ephemeral societies; but to do work of an enduring character it will be necessary to go slowly and patiently, so that the people may themselves carry forward the movement and the societies be independent of Government aid.

5. The loans granted to members vary from one rupee to one hundred and one rupees. The sixty-seven societies have 3,910 members, but during the year only 2,136 loans have been granted. This means either that loans in many instances have been granted for a longer period than one year, or that loans given to members during the past year have not been repaid in this year, or that nearly half the members of the societies did not obtain loans. It is probable that all three explanations may be accepted in part. The loans outstanding number 1,405; but there is no information to show how many of these loans are current and how many are overdue, and it would be well in future reports if any information could be given concerning defaulters. The distribution of loans amongst members is very uneven. In Khairwatolla (No. 29) the whole capital amounts to Rs. 211; one man has been granted a loan of Rs. 101, leaving Rs. 110 to be divided between the other 10 members; and on the other hand in Gando (No. 45), where the total capital is Rs. 300 and the reserve fund Rs. 27-6, 148 persons have obtained loans, an average of Rs. 2 per head. Some of the figures tend to suggest the doubt whether any

real business has been done; for example, in Kushmore (No. 1), 37 loans have been granted and 37 are outstanding. In Basudebpur (No. 3) 9 loans have been granted and 9 are outstanding. This suggests that the repayment of the loans was merely a paper transaction. Unless the loan is repaid within a reasonable time out of the profits of the transaction for which the money was lent, the societies will make little progress. The Registrar should pay special attention to this point.

6. The working capital of the societies is largely borrowed; but the Lieutenant-Governor is pleased to note that in 21 societies there are deposits amounting to Rs. 3,236. His Honour would be glad to have more information concerning the deposits of members, the rates of interest which are paid to depositors, and whether the deposits are made for a fixed period. As it is most desirable that the societies should be run, as far as is practicable, upon local capital, the capital borrowed from Government under the terms of the Government of India's Resolution should, in future, be distinguished from other borrowed capital.

7. Another point to which the attention of the Registrar should be drawn is the non-payment of interest by the bank to its creditors. The reason for this non-payment is not clear, as in almost all cases the cash in hand would amply cover the interest due. As it is desirable that the societies should be run from the beginning as business concerns, the people should be taught to meet their liabilities to outsiders promptly. The amount of cash in hand is very large; but this is probably due to the fact that statistics were collected at the end of March just before the season for giving out loans. The rate of interest charged to members is in almost all cases  $12\frac{1}{2}$  per cent. It seems impossible to run societies on business principles at a less rate. No doubt in the future, when the societies have accumulated a capital of their own, it will be possible to decrease this rate; but at the same time it must be remembered that, though  $12\frac{1}{2}$  per cent. seems a high rate to a western mind, it is one-half of the lowest rate at which the raiyat can at present obtain small loans.

8. Government has allotted a capital of Rs. 45,000 for advances to societies during the current year 1905-06; but the Lieutenant-Governor approves of the policy of cautious progress laid down in the report, and is of opinion that the efforts of the Registrar should be concentrated on the existing societies rather than on founding new ones, the development of which he would be unable to watch. At the beginning much will depend upon the personal influence of the Registrar; and it is most desirable therefore that that influence should be concentrated on a few societies. At the same time His Honour considers it most desirable to have one or two societies in every district of the province, as it is only by such pioneer work that modifications suited to the needs of the different districts of Bengal will be discovered.

9. The Lieutenant-Governor desires to place on record his high appreciation of the assistance which Mr. D. M. Hamilton and Mr. Pal Chowdhury have given in the establishment of Co-operative Credit Societies; and he acknowledges with pleasure the enthusiasm and zeal with which Mr. Gourlay has performed the duties of his office.

ORDER.—Ordered that a copy of the Resolution with a copy of the report be forwarded to the Board of Revenue, and that another copy be forwarded to Mr. Gourlay, for information.

By order of the Lieutenant-Governor of Bengal,

R. W. CARLYLE,

*Offg. Chief Secretary to the Government of Bengal.*



REPORT  
ON THE  
CO-OPERATIVE CREDIT SOCIETIES

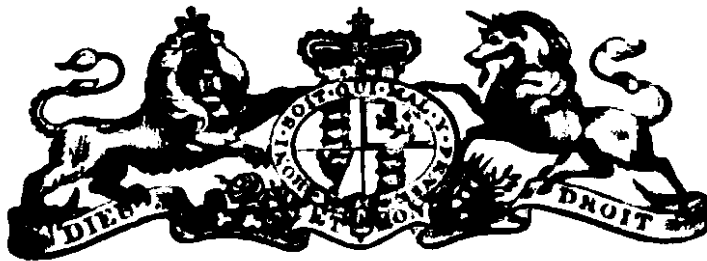
AT WORK IN THE  
PROVINCE OF ASSAM

FOR THE YEAR

1904-1905.

BY

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REGISTRAR OF CO-OPERATIVE CREDIT SOCIETIES, ASSAM.



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