

PROCEEDINGS

OF THE

PROVINCIAL CO-OPERATIVE CONFERENCE

Held in

POONA,

JUNE 23—24, 1911.

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REPORT

ON THE PROCEEDINGS OF THE PROVINCIAL CO-OPERATIVE CONFERENCE HELD IN POONA ON THE 23RD AND 24TH JUNE 1911.

The Conference (composed of officials and non-officials) met at 11 a. m. on Friday the 23rd June in the Council Hall, Poona.

Present.

His Excellency the Right Hon'ble Sir George Sydenham Clarke, G.C.M.G., G.C.I.E., Governor of Bombay (presiding).

The Hon'ble Mr. R. A. Lamb, C.S.I., C.I.E., I. C. S., Member of Council.

The Hon'ble Mr. M. B. Chaubal, B.A., LL.B., Member of Council.

The Hon'ble Mr. G. Carmichael, I. C. S., Chief Secretary to Government.

The Hon'ble Mr. G. S. Curtis, I. C. S., Commissioner, Central Division.

The Hon'ble Mr. J. McNeill, I. C. S., Director of Land Records and Inspector-General of Registration, etc.

L. Robertson, Esquire, I. C. S., Secretary to Government, General Department.

G. F. Keatinge, Esquire, I. C. S., Director of Agriculture and of Co-operative Credit Societies, Bombay Presidency.

R. B. Ewbank, Esquire, I. C. S., Assistant Collector, Godhra, Panch Maháls.

The Hon'ble Mr. W. H. Sharp, M.A., Director of Public Instructions.

The Hon'ble Sir Vithaldas Thakersey, Bombay.

The Hon'ble Sardár Shambhusing Amarsinh Jadhavrao, Raje of Málegaon, District Poona.

Prof. O. V. Muller, M.A., Principal, Elphinstone College, Bombay.

Rev. Canon O. S. Rivington, Gadag Betigiri.

W. T. Pomfret, Esquire, Assistant to the Principal, Victoria Jubilee Technical Institute, Bombay.

Dr. Harold H. Mann, Principal, Agricultural College, Poona.

J. B. Knight, Esquire, Professor of Agriculture, Poona.

A. A. Musto, Esquire, Agricultural Engineer, Poona.

E. Holmes Smith, Esquire, B.Sc., Acting Deputy Director of Agriculture, Poona.

R. M. Sane, Esquire, Pleader, Bársi.

V. M. Herlekar, Esquire, B.A., LL.B., Pleader, Dhárwár.

R. R. Kale, Esquire, B.A., LL.B., Pleader, Sátára.

G. K. Devdhar, Esquire, M.A., Poona.

A. U. Mulji, Esquire, Honorary Secretary, Broach, T. and B. Co-operative Credit Society, Broach.

G. L. Mirikar, Esquire, Honorary Magistrate, Miri, District Nagar.

Ráo Sáhib P. N. Pandit, Sirsi.

B. B. Sahasrabudhhe, Esquire, Special Officer, Nira Canal Tagái Scheme, Bárámáti.

R. P. Karandikar, Esquire, Pleader, Sátára.

G. K. Chitale, Esquire, B.A., LL.B., Honorary Organizer of Co-operative Credit Societies, Ahmednagar.

A. J. Deshpande, Esquire, Pleader, Muddebihál and Honorary Organizer of Co-operative Credit Societies, Bijápur.

S. Talmaki, Esquire, B.A., LL.B., Honorary Chairman, Shamrao Vithal Co-operative Credit Society, Bombay.

The Registrar; and Auditors, Co-operative Credit Societies, for three Divisions.

AGENDA.

SUBJECT.	PROPOSER.
1. Account of "Divisional" Conferences...	Registrar.
2. Proposal to extend the "conference" system.	Do.
3. Co-operative Credit Societies and "Registration" law.	Hon'ble Mr. G. S. Curtis, (Note). Also, Mr. Chirmule and Mr. Chitale.
4. Facilities or disabilities of Co-operative Credit Societies in litigation; under Indian law, as it stands.	Special Committee (Note).
5. "Government Servants" as Secretaries.	Mr. Sano (Note).
6. Institution of "Boards of Supervisors".	Mr. Devdhar (Note).
7. How to encourage "thrift" on the part of Members.	Do.
8. "Co-operation" as a subject for school or college curriculum.	Mr. Herlekar (Note). Also, Mr. Gore and Mr. Devdhar.
9. "Weaving" progress and proposals ...	Mr. Pomfret.
10. Practical difficulties in the working of Societies.

I *His Excellency the Governor* in opening the Conference said :—

Gentlemen,—I am very glad again to have the honour of opening the Provincial Co-operative Conference which I trust has now become established as an annual institution. The importance of these gatherings, where those who are interested in the co-operative movement can meet for purposes of discussion, leading to the elucidation of the many problems involved, to the removal of difficulties, and to the advancement of knowledge, cannot be overrated. I regard it as a privilege to be asked to address you on this occasion and to be enabled to testify to the earnest wish of Government to further your objects. Last year I drew attention to the advance of co-operation throughout India in the preceding quinquennium and I found signs of encouragement and of hope. Our meeting this year is earlier than usual and the Annual Report on the working of the Societies in this Presidency is not yet available. I turn therefore to the Proceedings of the Fifth Conference of Registrars held at Allahabad in January last which contain some interesting figures. During last year the number of Central Societies, which lend only to other Societies, increased from 16 to 32, their Membership from 1,205 to 3,740, and their working capital from Rs. 10,11,000 to Rs. 23,56,800.

The Urban Societies increased in numbers from 226 to 321, declined in Membership from 66,495 to 61,398; but increased their working capital from nearly Rs. 32,83,000 to nearly Rs. 36,73,600.

On the other hand, the Rural Societies increased in number from 1,761 to 3,145, in Membership from 116,907 to 165,560 and in working capital from Rs. 40,72,000 to Rs. 66,54,000.

An analysis of the figures for the respective Provinces indicates the difference of their conditions. The leaven of co-operation is working in all, but in varying forms and with varying speed. Thus as regards Central Societies, Bombay, with the Punjab, stands first in numbers, and has a long lead in Membership. In Urban Societies, the United Provinces, with 95 and a Membership of 35,587, are far ahead of the rest of India, Bombay coming second in point of numbers with 49 and third in Membership, while the Punjab stands last with only 6 Societies and 405 Members. In Rural Societies, however, the Punjab slightly exceeds the United Provinces in numbers—693 to 691—but the latter stand well ahead of all the rest of India with a Membership of 47,778, compared with only 10,007 in Bombay. These figures serve to re-enforce the moral I have often tried to draw, that in dealing with widely varying conditions, hereditary, social, and economic—we should carefully avoid striving after a rigid uniformity. In the co-operative movement, as in many other processes which are tending to the advancement of India, it should be our object to arrive at sound general principles, and then to foster natural evolution in full harmony with local wants, local sentiment and local possibilities.

As regards this Presidency I note that our able and enthusiastic Registrar stated at Allahabad that: "No great progress had been made in increasing the number of Societies; but great progress had been made in educating the people in the principles of co-operation. He considered it a most important feature that there should be in the Province many local gentlemen well grounded in a knowledge of co-operative principles." Mr. Campbell then went on to tell of the Conferences held in each division, where the vernacular was used and villagers could and did stand up and ask questions, of the attempts being made to help our weavers, of the adverse effects of the Deccan Agriculturists' Relief Act upon the co-operative movement. It is true that an increase of our Rural Societies by 31 in one year is not a great matter; but I cordially agree with Mr. Campbell that this is not the only, or even the principal, way of gauging our progress. We are, I believe, laying deep and strong the foundations of the co-operative movement by the Conferences we hold, by the increasing number of earnest men whom we attract, and by smoothing away the obstacles which lie in our path.

Since I last addressed you, much has happened. I then spoke hopefully of the prospects of the Central Bank Scheme which we owe to the efforts of the Honourable Sir Vithaldas Thakersey and the Honourable Mr. Lalubhai Samaldas.

The reward of long patience has come, and the establishment of the Bank has been sanctioned on conditions to which the promoters have agreed. That is surely a great step in advance. We know that no time will be lost in starting operations under the best auspices, and one of the great obstacles to the development of co-operation will be removed. I wish to say that it is difficult to imagine a greater service to the people than will be rendered by the creation of this Bank, which will be a monument to the practical patriotism of its founders. By its establishment co-operation in our Presidency enters upon the second stage of its evolution. At first it was a movement dependent directly and entirely upon Government. Now, it will lean largely upon a Bank formed under a Government guarantee, but managed by private enterprise. In the third and final stage, it will become wholly self-supporting and self-governing.

At your last Conference you discussed the difficulties which experience had shown to arise under the operation of the Deccan Agriculturists' Relief Act. Your views have been carefully considered by Government and we propose immediately to amend that Act with the object of freeing the Societies as far as possible from hampering conditions. I am sure you will agree with me that this action will mark a most important step in advance, and will incidentally prove the value of these Conferences.

I am glad to know that the Divisional Conferences held this year at Broach, Poona and Belgaum were well attended. At Belgaum the Conference was held in connection with the Agricultural Exhibition, and at Broach such an Exhibition immediately followed the Conference. It is most desirable that the Agricultural Associations should keep in close touch with the co-operative movement, thus linking up the latter with wider interests and broadening its outlook.

I see that your Agenda Paper contains much valuable and interesting matter. The relation between Co-operative Societies and Registration Law was raised last year by Messrs. Pratt and Curtis. I understand that Mr. Curtis has drawn up an important note on this question, and as an instance of the close interaction of affairs it would be an instructive development if the exigencies of co-operation led to improved methods of Registration. I welcome the appearance of Mr. Devdhar of the Servants of India Society as a contributor to your discussions. The question of the encouragement of thrift among Members of the Societies is well worthy of attention, and perhaps you will be able to tell Government how to squeeze the subject of co-operation into school or College courses which always tend to be over-loaded. If a place could be found for it and if teachers are available who could make it intelligible and attractive I should rejoice at its introduction.

Far away in London, there has been a series of Conferences of which the key-note was co-operation between the mother country and the daughter States for mutual help in furthering their peaceful progress and in preparation to meet common dangers. The vision of this Conference in Poona may seem humble in comparison with that which inspired the Representatives of the Empire; but the movement in which we are engaged is only in its infancy. A huge field for effort lies before it. To teach the masses of India the benefits of co-operation is to provide them with an education moral, social and economic the importance of which cannot be over-estimated. It can alike develop character and mutual trust, and promote material progress. It may successfully solve the problem of the indebtedness of the cultivators. It is the best lesson in nation-building. Here surely is a task in which all true Indian patriots can meet on common ground and work hand in hand with Government until the co-operative movement becomes strong enough to run alone.

With the earnest hope that this Conference will bring more light to bear upon the question of co-operation, will help to bring more workers to its aid and will furnish Government with practical suggestions enabling us to further the great object which we have at heart, I now leave you to your deliberations which I shall note with interest and which I am sure will be fruitful of good.

The Honourable Sir Vithaldas—proposed a vote of thanks to His Excellency for the valuable opening speech addressed to the Conference. He thanked His

Excellency on behalf of the Conference for the encouragement given by him towards the founding of the Central Bank. Without aid it would have been impossible to found the Bank.

His Excellency replying said:—

“I welcome the establishment of the Central Bank as a private concern, though at present under a Government guarantee. This is most pleasing, as when the movement started Government was alone. I believe, in time to come, though I shall not be here to see it, the Co-operative movement will be in private hands and we shall look back and see the result of the seed we are sowing today. I thank you for the kind words said and wish that these Co-operative Conferences may grow and become permanent. I again thank you all.”

His Excellency then left the hall and the Honourable Mr. Lamb took the chair.

II. Mr. Campbell then took up subjects Nos. 1 and 2; and said that—three Divisional Conferences were held during the year; at Belgaum, Broach and Poona, respectively. They were very successful. The Conference at Belgaum was held in keeping with the Agricultural show there; while at Broach an Agricultural Meeting followed the Co-operative Conference. Last year resolutions were passed at these Conferences; while this year only questions were discussed, leaving each Society to answer in turn. He would welcome any suggestions from this Provincial Conference regarding these Divisional Meetings.

III. The Divisional Conferences (Mr. Campbell continued) were growing, however, too bulky as the number of members attending them was increasing: he would therefore advocate an extension of the system to Districts; if local enthusiasts came forward to hold such. He and his subordinates might help as far as practicable. He himself had made an attempt towards District Conferences in two or three gatherings held at Sátára during the last two years. They were found successful. Such Conferences might also descend in time to Tálukas and Villages. Mr. Devdhar's Hadapsar Society was making a beginning in that direction.

The Registrar's remarks were accepted without discussion.

IV. Discussion followed on the Note of the Honourable Mr. Curtis on “Registration of Titles” (Appendix I).

The Honourable Mr. Curtis pointed out the difficulties in ascertaining the title of borrowers to the property offered as security for loans advanced by Co-operative Credit Societies. It had been suggested that the example of the Land Banks of Germany might be imitated here. The proposal of summary powers had been negatived. Proposal for an Agricultural Bank for irrigated lands had been submitted to Government in which the Bank had suggested engaging the services of a Sub-Judge to ascertain the title of the borrower to the property on the security of which loan was to be advanced.

Mr. Chitale illustrated the difficulties pointed out by the Honourable Mr. Curtis by concrete example. He wished to know and relieve the indebtedness of certain villagers of Barhanpur in the Nevásá Táluka of the Nagar District. For that he made enquiries through the Registration Department. The information furnished was found quite unreliable. [He then read a Note—Appendix III]. He therefore advocated the special appointment of a Sub-Judge for Co-operative Credit Societies to ascertain the amount of debt due by borrowers to savkars. He should hold a kind of circuit Court.

The Honourable Sir Vithaldas proposed that the Note of the Honourable Mr. Curtis be forwarded to Government with a request to obtain opinions on it from the Districts.

The Honourable Mr. McNeill suggested that before they moved Government in the matter the Note might be sent in the form of a Memo. to important Co-operative Credit Societies for opinion.

Mr. Campbell opined that the opinions of village Societies might be of much use.

The Honourable Mr. Curtis.—At present an Agriculturist could go to a Court and ask what he owed to A, or B, or C. A change was necessary in the case of Co-operative Credit Societies, so that one could go and ask what the encumbrances on specific land were.

The Honourable Sir Vithaldas proposed to appoint a Committee of certain persons to consult Societies and make representation to Government.

Reverend Canon Rivington considered that every Co-operative Credit Society might be consulted.

The Honourable Mr. Vithaldas moved a resolution that "a Sub-Committee consisting of—

The Honourable Mr. Curtis,
Mr. Sane,
Mr. Devdhar,
Mr. Chitale,
Mr. Kale,
Mr. Herlekar, and
Mr. Mulji,

should consult Co-operative Societies on the proposals embodied in the Honourable Mr. Curtis' Note and having acquainted themselves with the view of Societies make a representation to Government or take such further action as might be necessary."

The resolution was seconded by the Honourable Sirdar Shambhusing of Malegaon ; and carried.

V. Then followed Mr. Chirmule's Note on "Registration of Shares and Debentures of Co-operative Societies" (Appendix II), which Mr Kale (in Mr. Chirmule's absence) read.

Mr. Kale.—Instruments of Shares and Debentures were subject to compulsory registration. The Co-operative Credit Societies Act had not exempted them, in regard to their transfer, etc., as was done in the case of the Joint Stock Companies' Act. He thought that similar exemption might be embodied in the Registration Act.

Mr. Campbell thought that consideration of the Note might be postponed till expert advice had been obtained.

The Honourable Sir Vithaldas opined that the question might be referred to the Select Committee.

The Honourable Mr. Curtis proposed that the point be referred to the Registrar for action.

The Honourable Mr. McNeill seconded the proposal.

The matter was decided accordingly.

VI. Subject No. 4 was then taken for discussion (Report of the Committee as per Resolution No. 5 of the Provincial Co-operative Conference held at Poona in 1910—*vide* Appendix IV).

Mr. Chitale read the questions sent to Societies in connection with the report of the Committee. He had received six replies only. Dharwar Societies reported 90 suits. Though the rate of interest charged by Co-operative Credit Societies was comparatively low, the Courts in some cases ordered Societies' claims to be satisfied in instalments, stopping further interest thereon; and in some reduced the rate of interest to 6 per cent. on the decreed amount.

Mr. Kale.—The Societies' accounts were supposed to be clear. If the debt therefore were not disputed, it might be recovered by applying to the Revenue Authorities ; the debtor might make an appeal if he wished. He thought that the process of serving the first summonses through the machinery of bailiffs was cumbrous, and suggested that in the matter of execution of decrees and service of first summonses the village officer and not the bailiff should be

employed, as the former unlike the latter knew the man and property to be attached. An outsider wishing to lend to Co-operative Credit Societies might ask if there were any expeditious procedure of recovering a Society's dues. The reply would be in the negative. He would ask then why he should prefer to lend through a Co-operative Credit Society instead of direct to individual borrowers.

Mr. Herlekar deprecated the service of first summonses through the agency of Village Officers as they were already overburdened. The large number of suits filed by Co-operative Credit Societies in Dhárwár District might be due to want of experience and want of knowledge of their members. Besides, many of the suits could have been avoided by renewal of bonds. He was at one time in favour of summary powers but his experience had made him change his opinion.

Mr. Campbell thought that the subject might be divided into three parts: (1) service of summonses, (2) order by the Sub-Judge, and (3) execution of the decree. He also asked how far the expected exemption from the Deccan Agriculturists' Relief Act would remove disabilities now complained of.

The Honourable Mr. Chaubal thought that the Societies were on safe ground when they asked Government for exemption from the Deccan Agriculturists' Relief Act. When the Co-operative Credit Societies were started, it was not intended that money-lenders should stop their business. He also asked on what grounds the societies sought different treatment to that meted out to an ordinary savkar and urged that unless special grounds were put forward such requests might be expected to end in failure.

Mr. Chitale argued that the agriculturist by becoming a member of a Society put himself on a different footing to that which existed between ordinary savkars and their clients as he bound himself to abide by the by-laws adopted by the Society. The Societies used their moral influence and when they were helpless they resorted to Courts. The Society borrowed at the rate of 7 per cent. and lent to its members at 9 or 10 per cent.; whereas the savkar charged between 15 and 24 per cent. and generally recovered the first year's interest from the amount of loan. He submitted that the Society occupied a very different position to the savkar.

The President.—The question of exemption of Co-operative Credit Societies from the whole of the Deccan Agriculturists' Relief Act except section 21 has been submitted to the Government of India for sanction.

Mr. Kale said that he did not necessarily want special treatment for Co-operative Credit Societies and there was no use of discussing the matter further as the exemption of Co-operative Credit Societies from the Deccan Agriculturists' Relief Act was being considered.

Mr. Mulji supported *Mr. Chitale* and added that the Society had to depend only on its register of members and other records in case any accident occurred. He suggested therefore that a list of members of a Society might also be kept in the Registrar's office.

The President asked the Conference whether it would adopt the first suggestion made by the Committee or the second. The suggestion made by *Mr. Kale* regarding the execution of decrees through Revenue Authorities was impracticable. As regarded the question of Panchayats, he said that he would give his sympathetic consideration to the subject if they put their suggestions before Government.

Mr. Chitale proposed that the recommendations of the Committee in paragraphs 3 and 4 of the Report be adopted and the Registrar of Co-operative Credit Societies asked to represent the matter to Government on these lines.

Mr. Karandikar proposed as an amendment that the recommendations of the Committee in paragraphs 3 and 4 of their Report be adopted with the exception of the words "or send it for service through the secretary of the Co-operative Credit Society concerned of which defendant is or was a member" in paragraph 4.

The Honourable Mr. Curtis supported the amendment.

Mr. Herlekar opined that the present machinery of serving the first summonses was a bogus concern. The Secretary of the Society would be a better man to serve the summons. In Bombay the solicitors got the summonses served through their clerks. He therefore thought that the service of the first summonses should be made by the Secretary of the Society.

Mr. Chitale thought that the service of summonses through the post office could not be relied on; as the postal service in villages was meagre. In service of the first summonses by the Secretary of a Society there was moral safe-guard as against legal. The amendment was put to the vote and lost; 9 against 11.

Mr. Chitale then moved the resolution that—"the recommendations contained in paragraphs 3, 4 and 5 of the Note (Committee's Report) should be adopted and the Registrar requested to take such steps as may be necessary to give effect to them".

The resolution was carried.

VII. Subject No. 5—"Government Servants' as Secretaries"—was then taken up for discussion.

Mr. Sane read his note (Appendix V).

Mr. Chitale suggested that it would not be a wise policy to go to Government for little matters like these.

Mr. Devdhar in speaking against the principle involved in the Note said that it would be undesirable to make the Societies depend for their work upon such men. It would therefore be better if systematic attempts were made to train members of a Society in doing its work. Besides, as far as possible, it should be kept in view that the work of the Society is in no way associated closely with the help of Government servants coming as such.

Mr. Campbell said that there were two questions involved in the Note. The first was concerned with the transfers of Government servants already doing the work (unofficially) of Societies: and the second referred to the making of requests to Government for the loan of their servants (on deputation) to do the work of Societies. With regard to the first, he suggested that it might facilitate Societies' work if general orders were issued in the matter. With regard to the second, the matter was one for specific cases, and special reference.

Mr. McNeill in recommending that the subject should not be discussed further said that the matter of the transfer of Government servants depended upon several other considerations. He thought that it would create unnecessary inconvenience to Government to pass the kind of orders contemplated by *Mr. Sane* in his Note. He therefore proposed that the Note be recorded. Professor Muller seconded the proposal; which was unanimously carried.

VIII. Question No. 6—"Institution of 'Boards of Supervisors'"—was then taken up for discussion; by *Mr. Devdhar* who read his Note (Appendix VI) thereon.

Mr. Herlekar agreed with *Mr. Devdhar* regarding the principles of his Note and also saw the necessity of instituting the Boards described by *Mr. Devdhar*. Regarding his own Society he said that a Board of the kind would be of much use in effecting the close supervision which was so greatly needed by steadily growing Societies. He also mentioned several collateral advantages from such an arrangement. He emphasized the need of careful audit and did not mind its cost. He had appointed an auditor on a salary of Rs. 125 per mensem and that he did not regard as unnecessary expenditure. He requested *Mr. Devdhar* to send his Note to several Societies for their opinion; and to frame a definite proposal for adoption by the Conference next year.

The Honourable Sir Vithaldas suggested that the Note might be sent to leading Societies, and the Registrar might be requested to help in getting translations of the same and sending them to Societies.

Mr. Campbell said that the main question was of securing men to assist the Societies in such work and not merely of securing resolutions.

The Chairman recommended that the Note be recorded; and that Mr. Devdhar bring it in a more precise form before the next Conference.

IX. Question No. 10—"Practical difficulties in the working of Societies"—was then taken up.

(1) *Mr. Chitale* described the hardships experienced in sending money to villagers who were members of Societies and recommended that Remittance Transfer Receipts should be made available for the individual members of a Society in the same way as they were made available between Societies. He said that the money was sent to groups of members and therefore there would not be much inconvenience in the arrangement. In answer to a query put by Sir Vithaldas he said that members forming these groups were not willing to form themselves into Societies.

Mr. Curtis asked whether it would not be expensive for the villagers to come to the place where such Remittance Transfer Receipts were issued or cashed. He suggested that such money might be remitted by insured post.

Nothing further was decided on this point.

(2) *Mr. Devdhar* pointed out the difficulty experienced by a rural Society with regard to the withdrawal of money from the Postal Savings Bank. He said that according to the present rules not more than one thousand rupees could be withdrawn in the course of a month without one month's previous notice and asked the Conference if the matter could be remedied.

Sir Vithaldas suggested that as postal rules were made by the Government of India, it was no use discussing the matter in a Provincial Conference.

Mr. Devdhar said that under the circumstances the Society should, with the previous sanction of the Registrar, deposit its balances with some other local Bank or banker.

(3) *Dr. Mann* asked the Conference whether the present Act would allow of registering Societies of other kinds than credit. He gave an instance of Hadapsar Society which might want to start a branch for storing manure and other things required by agriculturists.

The President said that the new Co-operative Societies Act which was before the Government of India had provided for registration of such Societies.

The Conference then adjourned till next day.

Saturday, the 24th June 1911.

X. The Conference resumed its sitting at 11-30 A. M.: the Honourable Mr. Lamb presiding.

Subject No. 8 was taken up.

Mr. Devdhar read his Note on the subject (Appendix VII). Other Notes on the same are Mr. Gore's (Appendix VIII), and Mr. Herlekar's (Appendix IX).

Mr. Herlekar supported Mr. Devdhar's proposals. He advocated the plan that each Society be asked to set aside $2\frac{1}{2}$ per cent. of its profits towards this object. He had made an effort to start classes of the kind mentioned, but had not received encouragement from the Educational Department. He suggested that the only agency through which they could hope to reach the Agriculturist was the village School-master. The village School-master though not enthusiastic on the subject could always be relied on, as experience had shown him, between contending parties; and he thought he would be a good medium for the present purpose.

Mr. Robertson then read a Note on the subject written by the Honourable Mr. Sharp, Director of Public Instruction; who had been called away. The following was the substance of the Note:—"In the new School Final Syllabus (to come into force next year), in Indian History and administration 'Agricultural banks, savings banks, and Co-operative Credit Societies' form one item. Messrs. Anderson and Marsden are engaged on this book. When it appears, and if it seems all right, doubtless the vernacular histories will be revised on

similar lines ; but the subject is rather dry for school boys and will probably be touched on only briefly. Co-operative enthusiasts probably want lessons on it introduced into the readers ; but the readers are already pretty full, and every kind of movement is always pressing for a place in them ; in the country schools too boys now have agricultural readers in addition to the ordinary ones. The appropriate place for co-operation seems to be under history for the senior boys, and even then it can only be dealt with briefly ; but local enthusiasts can surely get up extra talks on the subject so as to interest the boys on special occasions. It can be introduced similarly into revised history courses at the Training College ; but the proposal that it should be made an ' optional subject ' at the School Final and Matriculation is meaningless as regards the Matriculation and at the School Final would place this subject on a level with others (Sanskrit, Drawing, etc.) which have been studied for a number of years ; in fact would be out of proportion altogether. If any one likes to draft a lesson or two on the subject, I should be glad to consider them ".

Mr. Chitale thought it would help the movement if text-books in simple language on co-operation were made obligatory in primary schools.

Mr. Campbell then read an opinion sent by the Honourable Mr. Lalubhai Samaldas (who was unavoidably absent) on the subject, which ran as follows :—

"It is very desirable that the principles of Co-operation should be more widely known. The school-room, however, is not the place for teaching them at present. I would strongly oppose the addition of any compulsory subject in the school or college. The publication of small leaflets in vernaculars based on Wolff's books and the Registrar's reports would serve the purpose which the proposers of this subject have in view."

In contributing himself to the subject, *Mr. Campbell* deprecated the relegation of it to the training of teachers. There was ample scope for energetic work in educating the members of the Society who were in some cases badly in need of it. By this means it was possible too to reach the people. The first point for attack, therefore, might be the education of those who occupied the position of supervisors and Secretaries.

Mr. Karandikar agreed that those who were in a position to help should be educated. The Co-operation which existed in the village should be encouraged.

Professor Muller was of opinion that a school was not the place for the study of the subject under discussion. In the Training Colleges it might be introduced with good results and the possibility of obtaining the secretaryship of a Society might prove an incentive to the teachers under training to take up the subject in earnest. The Bombay University which was now remodelling its curriculum had consulted him on the subject and he had strongly advocated the adoption of Wolff's book on Co-operative Banking.

Mr. McNeill thought it was a question of general co-operation and not of education in particular. He considered that some of the members might translate into the vernacular books dealing on the subject ; adopting these as they went on to suit their own special requirements.

The Honourable Mr. Curtis said that his experience of enthusiasts (whom he admired) was that it was not always safe to follow them. In Madras as head of the Postal Department he had an enthusiast who wished that a special course of instruction in the postal guide should be adopted as part of the School curriculum ! In another instance, sanitation was adopted ; and nursery rhymes on the subject were adopted for recitation in schools ! He advised the Conference not to prejudice their position by seeking to include this subject in the educational course. The University might be left to incorporate the subject with the lectures on Political economy if they desired and doubtless Professor Muller might be relied on as an examiner to give special prominence to the subject in his examination papers.

Dr. Mann said that the subject was being taken up in the Agricultural School for village boys experimentally.

Mr. Devdhar proposed that—(1) the Educational Department be invited to assist in the spread of Co-operative education ; and (2) in the opinion of this

Conference there is a great need for vernacular literature on the subject of Co-operation in all its forms and for an active propaganda for the education of classes."

The resolution was seconded by Mr. Herlekar and unanimously carried.

XI. *Subject No. 9, "Weaving' progress and proposals,"* was then taken.

Mr. Pomfret spoke of the efforts that were being made to improve the lot of the weaver. He referred to the different looms that were in use and to the output of each which he considered might be increased and with it the profits of this class of worker. Coming to the educational side of the question, he said he had a new suggestion to make. He proposed that a class be formed in the Jubilee Technical Institute, Bombay, where the sons of weavers might be taught to use the new handloom. For that purpose one man from each Society or centre should be sent to attend the class for instruction. When he had been thoroughly trained, he could return to his village and instruct others of his class. That would of course involve some expenditure. At present there was no room in the Technical Institute and it would be necessary to build a shed, provide the looms and hand mills, and appoint supervisors.

Mr. Bhardi said that he made an experiment of the fly-shuttle loom and that he was trying the "Sayajee Poor Man's Cottage Loom". He asked the Conference whether anybody knew of sarees and khans being made on the latter.

Mr. Campbell thought the matter rather too technical, and opined that Mr. Pomfret should submit his proposals in the form of a note for submission to the Government.

The Honourable Mr. Lamb was glad to see the lines on which weaving might be encouraged. It was not possible to formulate a resolution on the subject on account of its technical nature, but if Mr. Pomfret would work in conjunction with Mr. Campbell they might place their recommendations before Government with a view to obtain State aid.

XII. *Subject No. 7, "How to encourage 'Thrift' on the part of Members,"* was then taken up for discussion.

Mr. Devdhar read his Note (Appendix X).

Mr. Keatinge gave figures to show how a hard working family of fifteen members had been able in the space of a year to save Rs. 600. They were ordinary labourers engaged on earth work.

Dr. Mann said that the case quoted might be an exceptional one. His experience of such labour in Poona City was that the average amount earned by labourers of this class was Rs. 221 and a proportion of this went to support the man and his family.

Mr. Mulji said that the mill hands generally paid a heavy rate of interest. He had submitted an application to the Registrar to register a Society of such men and the lending rate proposed therein was not to exceed Rs. $9\frac{3}{8}$ per cent.

Mr. Herlekar said he tried the experiment of distributing home safes and he was able to collect Rs. 500 in that manner. But as the members did not understand the value of thrift, they required constant persuasion.

Mr. Chitale emphasized the necessity of economy more than thrift on the part of villagers. He said in thinking of money that was saved they ought not to overlook money that was spent. He also remarked that with the increase in wages the cost of living had gone up considerably.

Mr. Campbell said that people did not know economy and they did not practise productive investment; so, unless Societies discouraged waste in expenditure and encouraged profitable investment, mere habits of apparent saving might not be productive of great benefit. He gave the illustration of the institution of "Bhisi" which was common among the lower classes. By that the

people got a lump of money at a time when they did not need it ; and paid for it all the rest of the time, and at par. He only suggested the other side of the question.

Mr. Keatinge said that the figures quoted by him above were given him by a contractor employed on earth works in connection with the work of the Nira Canal. The members of the family had taken up piece work and earned about Rs. 90 per mensem of which Rs. 40 went towards their expenses. He gave another instance where some women employed as cotton pickers were able to earn Rs. 1-14-0 a day by the same process of piece-work.

The Honourable Mr. Lamb in summing up the discussion said that Mr. Devdhar deserved the thanks of the Conference for bringing the subject of thrift before it for discussion ; and suggested that the recognition of the need for thrift on the part of Societies should be recorded. He added that it was not possible to frame a resolution for the guidance of all Societies in as much as conditions varied so widely. He further recommended that the Note be circulated to all Societies for information and guidance.

XIII. *The Honourable Sir Vitthaldas* then rose and said that now that their work was done it was his pleasant duty to propose a vote of thanks to the Chairman, the Honourable Mr. Lamb. He was sure all would agree with him that he had done his work well and had exercised great patience and tact.

Professor Muller seconded.

The Honourable Mr. Lamb replied to the vote of thanks by saying that it was no task for him to sit in the chair, but it was very pleasant to be in their midst and to learn their technicalities. Everyone came prepared in a business-like manner to contribute his share to the discussion which was well-informed and practical in tone. Such Conferences which came on the top of the various Conferences described by Mr. Campbell had already been productive of good result and he hoped they would be found more and more useful in the future.

The Conference was then dissolved.

APPENDIX I.

Note on Registration of title with reference to Co-operative Societies.

The object of this short note is to indicate briefly and in a popular way directions in which changes might be introduced in our legal arrangements which would facilitate the working of Co-operative Societies.

2. It is now generally admitted that one of the principal functions of Co-operative Societies is to distribute the capital deposited with it in the form of loans to its members and to finance them in the pursuit of their trades or callings. Accordingly the questions to which the managers of a Society constantly seek an answer are :—

“If we advance so much money to such and such a person, will he repay us?” or “We have advanced so much to so and so. Is he dealing honestly with us or is he borrowing from other persons to the detriment of our security?”

3. In Germany where the modern idea of co-operative credit societies first originated the managers rely largely on their knowledge of the borrower's character and on the moral influence of other members of the society. In India we have hardly reached this point and managers consequently insist on the borrower furnishing collateral security in the form of a mortgage without possession of his land.

4. But even with this precaution managers can seldom in the present state of the law advance a loan without misgiving. There is nearly always a debt settlement to be carried through first, and the questions arise: “Has the full amount of debts been disclosed? Has the land hypothecated to the Society been absolutely freed from incumbrance? Is there any risk that the borrower, while he is negotiating with the Society, is also borrowing from a *sávkár*? Is there any danger of the latter's claims acquiring priority?” And at a later stage, when the loan has been made: “Is the borrower acting squarely by us? Or is he borrowing from *sávkárs* and committing himself to extravagance which will prejudice his power to repay us?”

5. There is no question that our law, as it stands at present, gives the managers but indifferent assistance. We have, it is true, a deed-registration system, by which, in order to prevent forgery, all documents hypothecating immovable property have to be registered; and managers can of course look through the indexes of these deeds and satisfy themselves that the property is unincumbered. But a period of four months is allowed within which a mortgage-deed must be registered and priority is given according to the date of execution of a deed, not registration; so that managers can never be sure, when making their search, that there may not be some deed in existence on its way to the registration office or even that in the interval between the completion of the search and the granting of the loan at the Society's office the wily borrower may not have executed and possibly had registered a deed hypothecating to a *sávkár* the same property which he proposes to assign to the Society. Of course in addition to the registration system there is the Record-of-Rights. We may assume that the managers will satisfy themselves that this shows the land to be free from incumbrance and that notice is given to the village accountant of any loan by the Society as soon as it is made. But even these precautions afford inadequate protection. The law (section 4, Act IV of 1903) allows the public three months in which to notify to the village accountant the fact of a mortgage: and as in the case of registration there can be no guarantee that at the time when the managers examine the Record there is not a mortgage in existence which will be brought to the village accountant's notice immediately after their examination.

6. From the managers' point of view, therefore, the law is defective. They cannot be sure that the security which they take from their clients' is really what it is represented to be; they cannot ensure to themselves a monopoly of their clients' money dealings. And this is such a serious disadvantage that it seems worth making an effort to see whether it cannot be removed.

7. Co-operative credit, we have seen, took its rise in Germany. What is the character of the Revenue system in that country: does it in any way afford greater assistance to the managers of Co-operative Societies than our own? I think that it does. The system of land revenue in the Rhine districts of Prussia is very much like our own; it is essentially *ryotwari*; that is to say, there are an enormous number of small parcels of land paying revenue directly to Government. Primogeniture is conspicuous by its absence. When a landholder dies, his lands are divided equally among his children. The village maps and registers maintained are much like our own. I was shown recently in Cologne a series of maps of survey numbers which, with the German names removed, it would have been impossible to distinguish from maps of survey numbers in *Máwal*. Now in Prussia up to 1872 they had a system of deed registration just like ours; but in that year they decided that this was not enough, and that they would register title as well. So they drew up a Record-of-Rights and published it for general information, and they warned the public to examine its correctness and raise objections if necessary. When all these had been disposed of they proceeded to prepare what they call “*Grund-buch*” (Ground-books), that

is, they give to each landholder a small bound volume showing for each survey number the various incumbrances existing on it and they enacted by law that all subsequent changes due to sale, mortgage, lease (to a limited extent), inheritance should be duly recorded under proper authority in each ryot's Ground-book as well as entered in the main Register kept at the taluka Registration Office.

8. Now this is obviously a very convenient arrangement from the managers' point of view. Does a member of a co-operative society want a loan? The answer is easy. Bring your Ground-book. There is no searching of indexes, no need to worry the village accountant for extracts from the Record-of-Rights, no room for fear or misgiving. The Ground-book constitutes, what the Bombay ryot has always tried to make his revenue receipt book, a complete and up-to-date register of title. All loans taken are at once entered in it and in the duplicate in the Registry office. And at a later stage it is even more useful. A co-operative society which has advanced a loan to a member is bound to look with disfavour on that member if he contracts further debts on the same security with a *sarkar*. Such action may not, strictly speaking, affect the priority of the society's claim: but it is bound to lead to unpleasantness and friction, more especially, if, as I understand has been known to be the case, the Society has a mortgage without possession, while the *sarkar* takes one with possession. With German methods in force this is very unlikely; the Society has only to get hold of the 'Grund-buch' and lock it up in its safe and the borrower is powerless for good or evil.

9. Let us turn to another country from which most of our statute law is taken, England. Here there has been always very great opposition to the introduction of registration of title in any form: but during the last 11 years a system, based on the German, has been in force in the county of Middlesex which includes the great city of London. Under this, lands are registered with two sorts of title, the mere possessory and the absolute. The possessory is of course practically equivalent to the title afforded to the *kabzedar* by our Record-of-Rights: a mere certificate that at a given time he is in possession and enjoyment of a certain plot of land. The absolute title goes much further. When the holder applies for it notice is given in the Government Gazette of his intention, objections are invited and a formal and searching enquiry held. If the title passes through the ordeal, the holder obtains a certificate of absolute title, which is as good as a certificate of Government paper. No one can deal with the property behind his back unless it is produced, no one can obtain a title against him by adverse possession. If there should turn out to be any flaw in the chain of transfers before the property reached him, Government will see that anyone who suffers from the fraud is duly compensated.

10. And this system has been shown to have many advantages. In the evidence recently taken before the Royal Commission on the working of the Land Transfer Act it has been shown that holders of certificates of absolute title have been able to go straight to the Banks, and borrow up to the limit of two-thirds of the value of their property at $\frac{1}{2}$ per cent. The certificate of title is deposited with the Bank and the Registrar is notified of this fact and warned not to allow any further dealings with the property without telling the Bank first. The fee for this which will, I believe, cover a loan of any amount is 1s. 6d. or Re. 1-2-0.

11. Now this is the practice in other countries, notably in that where co-operative credit took its rise. Can we incorporate any part of it without great violence to our ideas and our existing laws? I think so. The first thing to get is the certificate of absolute title or *grund-buch*. Section 16 of the Deccan Agriculturists' Relief Act which is, I believe, in force throughout the Presidency empowers any agriculturist to go to Court and for a small sum have his accounts with his creditors examined and a decree issued showing how much he has still to pay. What more obvious extension of this principle than for the law to give him the opportunity of going to Court and obtaining a decree that his debts are paid and his land is clear of incumbrance? His land must always be his main security. Could there be a more legitimate method of helping him than by utilizing the Court to declare that security sound? We recognize now that on many occasions an agriculturist must borrow. Should not the Civil Court interfere to help him before he contracts his loan, though late when he is in trouble as to its repayment?

12. Next having induced the Court to issue our "Grund-buch," how is it to be used? What more easy than to amend the Registration Act and introduce registration of Title on the German method for survey numbers, the title to which has gone through the ordeal of inquiry by the Sub-Judge? All that would be necessary would be to schedule these survey numbers and have the ground-books prepared in duplicate, one copy to be kept with the Sub-Registrar, one with the ryot. The Sub-Registrar would be responsible for the entries just as he is now in the Deccan districts for drawing up the Jeds. All that he would have to be careful about would be the identity of the person producing the "Grund-buch": and of this a photograph, which could be obtained for a rupee and inserted in the 'Grund-buch,' would be sufficient proof.

13. It will be objected that an arrangement of this sort would not suit the Hindu law of inheritance or the Hindu Joint family system. My answer to this is that experience will show. I should propose to try the scheme first in a limited area like the Nira Canal, where land is valuable and where, it is hoped, the Central Bank will be shortly

advancing a quarter of a million sterling in a year and I contend that even if the title had on the occurrence of the death of its holder to be re-investigated by the Court, it would be worth the trouble and the expense. As for the joint family system I cannot believe that it need cause more trouble with a land certificate than a share certificate. In any case the lawyers may be trusted to find some way out of the difficulty. A scheme like this which is fraught with so many advantages to the ryot cannot be summarily shelved without an effort at any rate to surmount the difficulties which lie in the way.

Poona, 14th October 1910.

(Signed) G. S. CURTIS,
Commissioner, C. D.

APPENDIX II.

Note on registration of shares and debentures of Co-operative Societies.

1. Section 17 of the Registration Act (XVI of 1908) requires all non-testamentary instruments affecting immovable property of the value of Rs. 100 and upwards to be registered.

The Transfer of Property Act, Sections 54 and 59 require registration of—

- (a) Instruments of sale or mortgage of immovable property the value of which is one hundred rupees and upwards.
- (b) Similar instruments of a value less than one hundred rupees where the sale or mortgage is not accompanied by delivery of possession.

2. The effect of Section 17 of the Registration Act (if there were nothing like an exception: *vide* Section 17, sub-rule 2) and the Transfer of Property Act would be to make the following compulsorily registerable:—

- (a) Any instrument relating to shares in (I) a Joint Stock Company or, since the Co-operative Credit Societies Act (II) shares in a Co-operative Society.
- (b) Debentures issued by any such (I) Company or (II) Society.
- (c) Any endorsement or transfer of any such Debenture (I) of Companies and (II) Co-operative Societies.

But the exception in sub-rule 2 mentioned above excludes these documents from the operation of the Registration Act in the case of Companies. The result is that in the case of Co-operative Societies dealing with immovable property the *shares* as also *debentures* issued by them and their *transfers* must be registered. Similar remarks apply to Societies registered under the Charitable Societies Act XXI of 1860.

3. Now to register these documents, *viz.*, shares and debentures of Co-operative Societies, and their transfers will entail a good deal of unnecessary trouble to the Societies and many times more so to the Registration Department. Since no fees are charged for registration of Documents executed by or in favour of Co-operative Societies, there is no very serious objection for Registration of *Shares* and *Debentures* except the inconvenience of getting them registered from time to time as they are issued; but the cumbrous and troublesome procedure it will entail on the Registration Department, can well be imagined. The Sub-Registrars will have to write out the endorsements over and over again and to fill up folios after folios with copies of hundreds of these documents of the same type, all to be registered separately. The principal objection however is to the registration of the *Transfers of Shares* and *Debentures*. Although the inconvenience can be minimised by various legal expedients still it might be sufficiently great to seriously interfere with their easy negotiability.

4. Again it is difficult to know what is to be gained by all this trouble. The shares and their transfers as well as debentures and their transfers of Co-operative Societies are all entered in separate registers kept for the purpose as in the case of Companies, with this difference that the Co-operative Societies are under the far more effective control of the Registrar of Co-operative Societies than that exercised by the Registrar of Companies over the Joint Stock Companies. Hence no second registration is necessary under the Registration Act.

5. Now the question is what is to be done:—I should like to suggest that in clauses ii and iv of Section 17 of the Registration Act "Societies under the Co-operative Societies Act" should also be included in the exemptions. In clause iii of the same section the exemptions should be extended to such societies but without the limitations mentioned in the clause as to a Trust deed. In Co-operative Societies the control of the Registrar is

very strict ; in fact, he is almost the official trustee of the Societies and hence there is no necessity for such a Trust deed.

As for the Transfer of Property Act it treats companies and societies alike and no useful purpose can be served for the present by discussing that point.

W. G. CHIRMULE.

Extracts.

REGISTRATION ACT.

Section 17 of Act XVI of 1908.

1. The documents next hereinafter mentioned shall be registered.
 - (a) Instruments of gift of immovable property.
 - (b) Other non-testamentary instruments which purport or operate to create, declare, assign, limit, or extinguish whether in present or in future any right, title, or interest, whether vested or contingent, of the value of one hundred rupees and upwards to or in immovable property.
 - (c) Non-testamentary instruments which acknowledge the receipt or payment of any consideration on account of the creation, declaration, assignment, limitation, or extinction of any such right, title or interest and ;
 - (d) Leases of immovable property from year to year or for any term exceeding one year or reserving a yearly rent.

Nothing in clauses (b) and (c) of this section applies to—

- (i) Any composition deed.
- (ii) Any instrument relating to shares in a Joint Stock Company.
- (iii) Any debenture issued by any such Company.
- (iv) Any endorsement upon or transfer of any debenture issued by any such Company.

TRANSFER OF PROPERTY ACT.

Sections 54 and 59 of the Transfer of Property Act IV of 1882.

Section 54.—Sale in the case of tangible immovable properties of the value of one hundred rupees and upwards or in the case of a reversion or other intangible thing can be made only by a registered instrument.

In the case of tangible immovable property of a value less than one hundred rupees such transfer may be made either by registered instrument or by delivery of the property.

Section 59.—Where the principal money secured is one hundred rupees or upwards a mortgage can be effected only by a registered instrument signed by the mortgagor and attested by at least two witnesses.

Where the principal money secured is less than one hundred rupees a mortgage may be effected by an instrument signed and attested as aforesaid or (except in the case of a simple mortgage) by delivery of the property.

APPENDIX III.

LIQUIDATION OF DEBTS.

This question was dealt with in the Provincial Conferences and the Divisional Conferences of 1910-11. It was resolved there that the question of extent of debts should be determined through the Registration Department. At my request Mr. McNeill, the Collector of Ahmednagar, had directed necessary enquiries to be made and I understand that the necessary information is now ready so far as most of the Co-operative Credit Societies in the Ahmednagar District are concerned. I append herewith a copy of his letter for ready reference.

2. The question, however, of how best to liquidate old debts is rather complex ; and my enquiry in one small village leads me to suggest that no enquiry can be complete and safe, unless it is subjected to Judicial tests. To take a specific instance I may say that.

the village of Barhánpur in Nevása Táluka of Ahmednagar District affords a typical illustration. The Record-of-Rights that has been prepared for this village shows that about Rs. 3,100 is the extent of old debts due to about three Marvari Savakars. Out of this it transpires in the enquiry that civil suits in Nevása Court to the extent of Rs. 2,700 are pending; and the antecedents of some of the creditors are such as give very good ground to suppose that a greater part of the debts may not be real.

3. The question then is that if the debtors and the creditors collude in obtaining loans from Co-operative Credit Societies on easy terms, a large part of the amount so lent would (I submit) be uselessly lent out and would give enough scope for fraud. I should therefore think that the best course would be to request Government to lend us a senior experienced Sub-Judge who should be given necessary powers to hold his circuit court in the villages where this question of liquidation of debts is taken in hand.

4. If such judicial machinery be set up one positive advantage would be that this question of extent of debts would be judicially sifted and its extent would be properly ascertained.

5. After this is done the question of providing necessary amount would be easy enough. The last published Report of the Registration Department for the year 1909 shows that the aggregate value of sale-deeds and mortgage-deeds with or without possession in Ahmednagar District alone came to Rs. 10,53,528 and the amount of other debts aggregated to Rs. 2,35,328. This shows roughly the extent of such trasactions in Ahmednagar District. Lastly I may say that if the published reports of the special Judge appointed under the Deccan Agriculturists' Relief Act are considered it would be found that when such claims are settled either through Civil Courts or by Conciliators, the amount of remissions obtained varies from 25 to 30 per cent. and the amount found due is usually made payable by annual instalments.

6. In conclusion I think that the operations in this respect of either the District Central Bank or the Provincial Banks will not be safe unless necessary judicial machinery is set up and the cases are disposed of as early as possible.

G. K. CHITALE.

No. R.-1148 of 1911.

Ahmednagar, 2nd March 1911.

MEMO.

Information regarding deeds of mortgage, sale, lease, &c., executed in the last 20 years has been compiled from the Sub-Registrars' records as regards the marginally noted villages in which Co-operative Societies have been established. The object is to supplement the information obtainable from the Record-of-Rights and guard against accidental omissions so that the liability of members of Societies who may wish to have their debts liquidated may be known and the value of security offered by them for loans advanced for this purpose may be accurately estimated.

2. Mámlatdárs are now requested to inform the Committees of Co-operative Societies that this information will be placed at their disposal and that if necessary an officer of the rank of Head Karkun will be deputed to the villages for a few days to assist committees in drawing up statements regarding the debt and assets of members of societies whom the societies propose to help.

3. The only way in which the societies can help members is—

(1) by borrowing additional funds to be lent to members for debt liquidation;

(2) by obtaining from member's creditors acknowledgement of repayment of all liabilities with cancelled documents relating to debts in return for cash payments of debts;

(3) by taking from members whose debts to private creditors are paid off mortgages with possession of landed property valued at about 50 per cent. more than the amount actually paid and at the same time installing the borrowing members as tenants of the property mortgaged at a rent which would be an instalment of repayment, to secure the repayment of the sum lent with interest in a period not exceeding (say) 12 years.

4. As regards (1) it is believed that the Nagar Central Bank will advance funds, and societies should at once apply direct to the Chairman for information.

5. As regards (2) and (5) the Government officer abovementioned will help in working out the details if definite arrangements for borrowing funds are made. The Collector will ask Pránt Officers to allow Tagái Head Karkuns or Extra Head Karkuns to go to the villages concerned for a few days to help Societies. It is obvious that if a society can borrow from the Nagar Central Bank at 7 or 7½ per cent. and lend the amount at 9½ per cent. to borrowers, the society (that is all the members) will benefit by the amount of profit earned. It is also clear that if the individuals' debts can be liquidated for a cash sum probably much less than the nominal sum and if the rate of interest is reduced from 15 per cent. and upwards to 9 per cent. the borrower is at once benefited. He may, as happened in other districts, find that an instalment paid in the form of rent will repay his whole debt in 12 years though previously the same sum was less than the actual interest charge alone. When the society lends to a member and becomes mortgagee with possession it will do well to let the land at the fixed rate not to the borrower but to his wife or some other person on his behalf so that the society's tenant during the period of repayment may not be an owner of the land. This will enable the society to reject a defaulting debtor through the Mámlatdár's Court.

6. Attention is drawn to the circular issued by the Registrar of the Co-operative Credit Societies regarding debt liquidation (circular No. 5 of 5th April 1908). If the circular is not on the records application should be made to the Registrar, Co-operative Credit Societies, direct for copies and also for copies of any other circulars dealing with liquidation. It will be quite understood that Government is concerned with this matter only to the extent of officers who will assist the societies to execute the business. Government has no financial interest or responsibility.

(Signed) J. McNEILL,
Collector of Ahmednagar.

APPENDIX IV.

Report of the Committee as per Resolution No. 5 of the Provincial Co-operative Conference held at Poona on 1st and 2nd September 1910.

1. We append herewith for ready reference a list of questions that was circulated to several of the Co-operative Credit Societies. Only Dhárwár and Bársi Societies reported that they had to file about 70 and 5 suits respectively. It will be noted that in none of these defendants at all contested the Societies' claims and yet the average duration of suits was reported from 4 months to a year. It will also be noted that a good deal of difficulty, delay, and extra costs had to be incurred for serving the first summonses of suits which were invariably summonses for final disposal. It is also to be observed that the penal rate of interest was not allowed by Civil Courts and the future rate on decretal amounts was reduced to 6 per cent. per annum.

2. This short summary of the Societies' limited experience in litigation clearly shows an urgent need of reform in this direction, as it is clear that many of the Co-operative Credit Societies will not be able to bear the financial strain involved in litigation. The small margin of profits, on which many of the rural Societies, at least, will have to work for a pretty long time, makes it a matter of supreme importance that they should have very few bad debts which involves the additional trouble of resorting to Civil Courts for recoveries. This certainly means loss of time to the working staff and some expenditure which the Courts cannot decree; but if the present experience in litigation were to be repeated on a large scale which is inevitable in the long run, it will surely tend to demoralise some of the members and ultimately seriously handicap the smooth working of some of the Co-operative Credit Societies.

3. The sub-committee is perhaps precluded by the words of reference from considering the question of summary powers of recoveries but will rest content with pointing out that some such powers with necessary safeguards will be found absolutely necessary in the near future and, as far as our Presidency is concerned, the sub-committee venture to point out that the village Panchayat Bill which will be shortly introduced in the Legislative Council affords enough scope for this urgent reform which may be availed of. If in section 5 the figure of "100 Rs. in the case of Co-operative Credit Societies is inserted in place of 20 Rs." much desirable reform will be effected.

4. Presumably this long delay for the disposal of suits is due to the non-service of the first summonses on the defendant. If so, this, we think, can be easily remedied if the Honourable Judges of His Majesty's High Court of Judicature could be persuaded to add the following Rule in Order 5 of the new Civil Procedure Code. The question of serving summonses on the defendants, in the mofussil Courts by registered packets through the Post Office, is, we understand, already before their Lordships. If so, before that Rule comes to be universally adopted we may move the High Court for its adoption so far at least as the Co-operative Credit Societies are concerned and we propose therefore the following Rule:—

Rule 27-A in Order 5, Civil Procedure Code.

Where the defendant is sued in his capacity as a member of any Co-operative Credit Society the Court may, on a special application if it thinks that the summons on the defendant is likely to be most conveniently and expeditiously served on him, send it for service on the defendant either through the Post Office by the registered packet properly addressed or send it for service through the Secretary of the Co-operative Credit Society concerned of which the defendant is or was a member together with a copy of the plaint and a summons to be retained by the defendant.

5. And where in pursuance of such service the defendant does not appear on the day when the suit is called on for hearing the Court shall satisfy itself of its due service and for that purpose may require it to be proved by an affidavit or otherwise that the defendant resided at the place wherein the summons is served and, when the summons purports to be signed by the defendant, may also insist on an affidavit to the effect that the signature is that of the defendant.

6. This, we think, will meet the immediate necessities of the Co-operative Credit Societies and is expected to shorten appreciably the duration of suits in Civil Courts if the Societies concerned insist on speedy disposal of at least non-contested suits by a special application in that behalf. The proposed rule is so framed as to provide sufficient safeguards against any possible abuse of Court process and we hope therefore that the suggestion will be found acceptable.

7. As regards the question of Civil Courts, disallowing, in some cases, the penal rate of interest and making instalment decrees without interest, or at the reduced rate of interest, we are afraid the Judicial discretion of the Courts cannot be absolutely bound and we must depend upon their good sense and we are afraid it is not possible to suggest any remedies.

G. K. CHITALE.

V. M. HERLEKAR.

R. M. SANE.

Questions.

1. How many civil suits have been instituted by your Society for the recovery of debts?
2. What was the time taken up in such suits till final decision? (Please attach a copy of the Rojnama in these suits.)
3. Was any difficulty felt in serving the first summons on the defendant?
4. Was it necessary to incur extra expenditure for such service?
5. Were the summonses for framing of issues only or for final disposal?
6. Did the defendant contest the claim? If so, what was the general nature of the defence?
7. What was the nature of decrees passed? Were they instalment decrees? and if so, how much time was given for liquidation of debts?
8. Was any difficulty experienced in the execution of decrees so obtained?
9. What was the average duration of such liquidation?
10. Please suggest any remedies for such of the difficulties as may have been experienced by your Society in the course of litigation.
11. Please point out also any special difficulties felt in the legal procedure of the prosecution of such suits.

APPENDIX V.

Note by Mr. R. M. Sane.

There are some societies who have employed Government clerks or school-masters as their secretaries. In the infant condition of societies they cannot afford to pay a high salary and engage a whole-time secretary. The Government servants are likely to be transferred in due course of time and it would be rather difficult for these societies to secure the services of other capable men as secretaries. Besides, the man knowing the work from the beginning is more useful than a new man. So under these circumstances

I submit that Government servants who are engaged by societies should not be transferred unless it is necessary to transfer them for some public interest. I mean that they should not be transferred, simply because there are rules that Government servants should be transferred unless there are other reasons of personal character. I would also submit that Government should be asked to transfer their services to the societies as lent servants. As Government servants are lent to the Native States, in the same way they may be lent to the societies.

APPENDIX VI.

Boards of Supervisors.

In inviting discussion on the subject of instituting Boards of Supervisors or some such bodies, at the hands of this conference, my object is to emphasize the need of providing more efficient control and supervision than what we at present have over the transactions of the Co-operative Credit Societies that are every day growing in bulk. It might be legitimately asked at this stage whether anything has happened to justify its need. In answer to this I would venture to suggest, that no cases of gross mismanagement have come to our knowledge; it is yet high time for us to act on the principle of prevention is better than cure. The need, however, for more strict and close supervision is suggested by the following few considerations. First, so far, the work of supervision is entrusted to the Registrar and his staff of auditors; secondly, the steadily increasing number of the societies, which must naturally increase both his and his staff's work, leave them less time for more direct and personal touch. Thirdly, the work of the societies is growing and with it also grow their risk and responsibility. Fourthly, the "Co-operative Societies Act" when amended will induce the societies to widen the sphere of their operations and thus to take larger responsibilities on them. Under the circumstances it is worthy of consideration if the control and supervision which the societies at present receive is sufficient, and if it be not advantageous to resort to some suitable arrangement to safeguard the interests of the societies.

In other countries where co-operation has prospered very satisfactorily, there are Unions that are entrusted with the work of inspection and supervision. Mr. Wolff is very much in favour of such "councils of supervision or inspection." Even in India, we have Unions in Madras, Central Provinces, and Burma to control and supervise the work of Co-operative Credit Societies. Moreover, the last conference of the Registrars strongly advocated the formation of such bodies. But we in Bombay have no such controlling and supervising agency besides the Registrar. We discussed this question at the last year's conference, but no definite recommendation was made. Personally I think that in this Presidency or at any rate in some districts like Poona, Násik and Dhulia, where the number of societies formed is so small there is hardly any scope for such a Union with its paid staff to do much work. Until, therefore, the time comes when the Unions or Central Banking Unions could be appropriately formed, I venture to suggest the formation of a "Board of Supervisors" for one society or for societies more than one. The Registrar may suggest it to a society, which in his opinion needs greater and closer supervision, to have a board constituted with his sanction. The matter for some time may be one of choice. It must be his creation and must be, in case he deems it advisable, liable to be dissolved by him. The number of members, if the Board exists for one society only, must not be below 5 and above 9. The Board may have on it the nominees of the Registrar's 2 if the total number is 5, and 3 if the total number is 6, 7 and 8, and 4 if the total number be 9, others being elected by the society from among its more experienced and influential members. They will have no "Financial constitution" or any statutory or legal existence. Their work will mainly be to meet at least once in three months and to help the Registrar by exercising on his behalf the necessary control and supervision over the transactions of the society, a careful watch over its affairs and by demanding a strict adherence to Co-operative principles on the part of the members. They will advise the society in all its doings and will help it whenever it is called for. They will in short be a body of friendly advisors and supervisors. They will stand between the managing committee and the Registrar. They will, however, in no way exercise any executive control, but will have the power to ask the Secretary of the Managing Committee, who *ex-officio* be the Secretary of the Board, to convene a general meeting of the members of the society in case of extreme necessity. They will, however, in no way interfere with the executive functions of the Managing Committee nor would they ever come into conflict with the work of the Registrar and his auditors. In a word they will principally be advisory bodies. A clearer definition of the powers and functions of the Board need not be attempted here.

There is some slight difference between the functions of the so-called Unions and those of the Board of Supervisors just now described. The Union, in exercising its control over the transactions of the society, will only care for the safety of the Central Bank; but what is more needed is also the care that would ensure the safety of the society; and it is expected that this function will be discharged by these Boards. Besides these direct

advantages, there are also a number of indirect advantages of a great moral value. In the first place, this institution affords facilities to associate with the working of a society outsiders who would find money for the society, or would give their time and talent for the furtherance of its objects. The creation of this body, while exercising a restraining influence over the members, will ensure safety of transactions which in its train is bound to generate the confidence of the public. Again, it will afford an appropriate field to some men who seek it for the exercise of their public spirit in the direction of working for the cause of co-operation and who deserve to be associated with such work, in the best interests of the society. Besides, these members of a society that will go out of its Managing Committee in order to make room for fresh blood to be trained, will find a higher and a more convenient field for the use of their abilities. And thus the Board, instead of being a hindrance, will be a source of great help and strength to the society.

I have before me the instance of a society whose working has suggested these thoughts to me; and in laying them before the conference it is my desire to know their views in the matter. It is needless to say that such "Boards of Supervisors" will make room for the Unions when they come into existence.

G. K. DEVDHAR.

APPENDIX VII.

NOTE BY MR. DEVDHAR.

Co-operative propaganda.

Mr. Henry W. Wolff has expressed, in terms of warm praise, his entire satisfaction at the progress made by the movement of co-operative credit in India, and we may well be proud of that. Judging by provinces, however, our presidency is sadly behind other provinces in this direction, and it is worth our while, at this stage of the movement, to consider the steps that should be taken so as to make it able to keep pace with the sister provinces in the matter of the spread of co-operative credit in particular and co-operative endeavours in general.

It seems to me that the main cause of this backwardness is to be found in the lack of general and intelligent interest in the movement of co-operation and that a successful and efficient method to create that interest is to carry on a vigorous campaign of co-operative propaganda calculated to educate and influence public opinion. I venture in this note, therefore, on co-operative propaganda, to make a few suggestions regarding (1) the character of the educational effort, (2) the classes whom it must reach, (3) the means to be adopted, and lastly (4) the funds that will be needed to carry it on. Speaking about the character of the propaganda one thing must be made clear; and that is, while providing easy facilities for acquiring a detailed and technical knowledge of the theory and practice of co-operation, our educational propaganda must aim at rousing intelligent and popular enthusiasm for the movement. (2) As regards the classes that will have to be approached they will be, first, the educated people that must in the initial stage guide the movement; secondly, the masses that will largely profit by co-operative undertakings; and, thirdly, the students at schools and colleges. (3) The ways and means that will have to be adopted must necessarily be thorough-going and at the same time persuasive. They must appeal to the intellect of the intelligent and carry conviction home, induce the masses, who possess strong common-sense, to fully realize the large measure of relief which co-operation will bring them; and they must teach the young men at schools and colleges the broad features of the history of co-operative movement, the principles of co-operation, and its potentialities. It will have also further to be impressed upon their minds that co-operation affords them a vast field for very useful and patriotic work to serve the motherland. (4) And lastly, the funds that will be needed for this purpose will have, in the first instance, to come from Government and then from public bodies and co-operative societies.

I now come to the details of this scheme. The Educational work that is required to be undertaken to meet the end in view will be twofold. It will have to be both technical and general. The history of the phenomenal success of the co-operative stores in England teaches, among others, one great lesson; and that lesson is that there must be a well-planned organization to carry on the work and a class of people who thoroughly understand the principles and business side of the work. There is a vast organization in England and there are classes and schools to instruct the organisers and managers of the "store" and systematic examinations are held at which men and women in thousands appear every year, and no amount of expenditure incurred on this account is considered a waste of money. The question of starting schools or classes to train organisers and sympathisers, office-bearers of the societies and their managers, and their inspectors and supervisors was brought before the conference of the Registrars which recently met at Allahabad in January last by Mr. Ramachandra Rao of Madras and he was supported by Mr. K. C. De, of Eastern Bengal and Assam. Both of them related the difficulties they laboured under owing to an insufficient supply of well-trained men and told their experience as to how

these schools or classes could successfully meet the need of the situation. The conference, however, did not see eye to eye with these able co-operators. But I think if a small beginning on this line be made by Government at a central place in this presidency we should be taking a forward step in the right direction. Like other movements, the movement of co-operation badly needs its missionaries and trained agents and the only way in which they could be secured is the starting of these classes. Such an arrangement will help to produce the technical knowledge of the movement which, when brought to bear upon its career, is sure to guarantee its success. (According to Mr. Wolff no German or Austrian Union will accept a district organiser who has not had some regular co-operative schooling). The details of this plan may very well be left to be worked out to a committee of official and non-official experts. And I feel confident that this conference will see its way to make a recommendation to that effect.

Coming to that aspect of the educational work which I characterize as general, I believe the educated people ought to take the initiative. Unfortunately, however, the educated section of the Indian community have, up till now, not only felt no enthusiasm for this movement, but are indifferent towards it. This state of things must be improved and it is not very difficult to do so. To begin with, a number of organized centres must be started in order to educate a strong and intelligent public opinion and to enlist the sympathies of the educated classes. I would, therefore, suggest that at centres like Poona, Bombay, Belgaum, Ahmedabad, and Hyderabad (Sind) associations must be formed by those who are earnest about co-operation and under their auspices lectures dealing with the various aspects of the co-operative movement might be delivered. Secondly, libraries may be usefully started and made available for free use; thirdly, pamphlets and leaflets discussing the theory and practice of co-operation may be issued by these bodies and broadly circulated. Moreover, like the Madras Bulletin of co-operation a magazine called "Bombay Co-operator" may be issued by any of these associations with a little subsidy from Government in the beginning. Fourthly, these measures will largely supplement the vigorous efforts which our Registrar is making in the direction of Provincial and Divisional Conferences, and which will have soon to be extended to District Conferences. They will, in my opinion, make his work very easy and effective. Lastly, I would suggest that the Registrar may profitably arrange a conference of the Editors of the Vernacular and Anglo-Vernacular papers in this presidency and try to enlist their enthusiastic co-operation in our work by removing the doubts in their minds, if they cherish any and by putting before them facts and figures that will speak for the miracles which the movement has wrought in other countries and thus help them to realize the vast possibilities of the economic, social and moral benefits that would accrue to the people from the successful spread of this movement. In this way the movement can be placed upon a sound educational basis.

Next comes the question of spreading co-operative knowledge and organizing co-operative work among the artisans and the indigent agriculturists that form the bulk of our masses and the mainstay of this movement. The methods to be employed with regard to these people will have to be necessarily less pedantic and more popular. In the first place, trained and well-informed lecturers, paid as well as honorary, may be sent round to deliver lectures and organisers, who may also be paid or honorary, should tour explaining to people the benefits of co-operative credit which is the simplest of co-operative operations and should find out suitable centres for the starting of co-operative societies. In all Western countries the services of such agents are availed of in the spread of agricultural organization and co-operation and similar work in this country is sure to bear substantial fruit. Leaflets written in a popular style with pictures and diagrams may be distributed. Thakur Thámmán Singh, Assistant Registrar of Co-operative Credit Societies in the United Provinces, informed the Registrars at their last conference that the village people had composed songs on the benefits of co-operation which they went round the villages singing. Mr. A. Langley, Registrar of the Co-operative Credit Societies in the Punjab, gave an interesting account of a co-operative play. Surely, we can adopt these entertaining methods of teaching co-operation. Moreover, prizes may be awarded by public bodies formed for the spread of co-operative knowledge to best essays written by agriculturists on the subjects of co-operative endeavours and some presents may be made to some societies in recognition of good work done by them; similarly, some suitable tokens of appreciation of the meritorious services rendered by some village co-operators may be distributed with some ceremony. Besides, it will always be useful to arrange large meetings of agriculturists which may be addressed by men whose services to the cause of co-operation have been sufficiently recognized.

Lastly, I deal with the question of introducing co-operative education in schools and colleges. I put the boys last because they are not expected to give any active help to this movement, neglecting their legitimate duties. We discussed this question at our last conference and we could not come to a definite conclusion on this point. The difficulties are many in this direction. However, let us consider what could be done to attract the attention of our students towards the subject of co-operation. First, there are the rural and agricultural schools. Co-operative lessons can be introduced in their text-books which are already interspersed with lessons on agriculture, sanitation, etc., etc. So also, the training colleges for males might well take up this subject for serious study. A dozen

lectures to the would-be teachers will be enough to enable them to become advisers on co-operative matters of an elementary character.

Considering the position which the village school-master occupies in the rural life of a place he may well be induced to imitate the example of the Roman Catholic priests in Germany and specially in Italy who conferred a great blessing upon the men of their parish by closely associating themselves in the spread of co-operative movement among the adherents of the Roman Church. Mr. Wolff says that they worked the village co-operative banks believing that they were the "Natural ally of the pulpit." Coming further up to the high school stage, we should have a few lessons introduced, in the moral text-books which are being framed now, dealing with the subjects of "Self-reliance," "Freedom from indebtedness," "Thrift," "Co-operation," and "One for all and all for one," and the like. The School Final Examination which is now under the control of Government may have the subject of co-operation among the subjects for optional study, that being grouped more naturally with the subject of commercial education. Mr. Wolff is also of the opinion that schools may be availed of as a vehicle of co-operative education. As regards colleges, we have, I believe, the example of the Calcutta University that has introduced co-operation as a subject of college studies in the curriculum for Arts' course. The Bombay University which is now thinking of removing political economy from the subjects meant for compulsory study, should introduce it with political economy. Similarly it may form a part of the programme of agricultural studies and may very well be tacked on to the subject of agricultural organization. Moreover, it may be suggested that if a Degree for commercial studies comes to be instituted, the subject of co-operation might be appropriately added to the subjects of study for the Degree. In passing, it may be mentioned that, the scheme of studies which is planned by the Honourable Mr. Malviya for the Benares University includes the subject of co-operation. I remember, in my early days, high schools had attached to them small book-stalls and stationery shops started by boys and supervised by teachers and worked on almost co-operative lines. If teachers will earnestly take up the subject of co-operation, here is a field for them to teach its practical lessons to students by starting in all schools such small co-operative concerns dealing in books, stationery and materials for sports, etc., to be financed by boys' money and to be worked and managed by them. This will teach them the lessons of self-reliance, mutual co-operation and the habits of business. The same experiments might be tried in colleges; clubs may be managed on co-operative basis.

There remains to be considered the question of funds that will be needed for this scheme of work. Though I am not an advocate of wholesale State aid in every direction of work, I do not think Government assistance taken in initial stages of work is any way incompatible with its self-reliant and independent character. Until, therefore, people come to recognize their duty in this respect, Government will, I hope, kindly come forth to undertake the further expenditure necessary to engage district organizers and lecturers, to issue leaflets and pamphlets, to start classes, to give prizes and presents and to subsidize co-operative libraries wherever they are started. Besides, the public bodies or co-operative associations, when they come into existence, should be prepared to bear a share of this expenditure and I am sure they will not grudge it. Lastly, the co-operative credit societies that may be of more than five years' standing should be induced to make contribution from the profit they earn at the rate of 4 per cent. towards the expenses of this general propagandist work. We have in our Presidency 15,663 members of the co-operative credit societies and if they all paid a voluntary contribution of annas two each we may realize nearly a sum of Rs. 2,000. It is sure to grow and with its growth the co-operative work will grow. Such a tax is levied in English per member on the societies that belong to the "Co-operative Union," for educational purposes, and I do not think it will any way be burdensome to them to pay a small sum of money every year if they are convinced that their contribution returns back to them in the form of work and co-operative enthusiasm.

These are some of the suggestions that I have made myself bold to make and I trust the conference will freely discuss them and deal with them on their own merits.

APPENDIX VIII.

NOTE BY MR. GORE.

Introduction of "Co-operative credit" as a subject in University and other examinations.

1. Co-operative credit having recently come to the front in the science of economics and the influence it exercises on all human affairs being intense and universal the study of this subject ought to be as important as if not more than that of political economy. Nay, the wider scope of its influence would, perhaps, indicate that it is fit enough to be recognised not only in the higher branches of education like Political Economy; but also in places where only rudimentary education is sought to be given.

2. It is now some years since co-operative credit was recognized as a suitable expedient to solve rather the intricate problem of agricultural indebtedness; but surely

it is not for this special purpose that its introduction in India was contemplated. It is meant to be wide in its operation and its many-sidedness has been accepted and encouraged.

3. The Indian mind being peculiarly insusceptible to new ideas and not easily persuaded to depart from custom, the need for a general and specialised training in co-operative matters is perhaps stronger than in other countries; and although our co-operative banks in villages and towns are for the most part directed by able persons the development of co-operation is necessarily slow for many reasons but chiefly owing to—

(1) want of knowledge on the part of the average ryot to understand its scope of usefulness and expansion; and

(2) want of expert managers and organisers to drive the truth of its utility home to the least cultured mind.

4. There is yet a vast field of co-operative institutions to be touched before the good results derivable from co-operation can be perceptible to the ignorant mass of people who have been subjected to an organised system of plunder which an army of agents and middlemen have practised in this country with impunity.

5. If, therefore, we are serious in allowing co-operation the widest scope for enterprise and do not think that co-operative banks are an end in itself but only as a means to an end, there can be no question that we must provide for means whereby the knowledge about co-operation may spread far and wide.

6. In short it is necessary for the successful working of co-operative principles to produce expert managers, accountants, theoreticians and men who with the knowledge of the principles imbibed in schools would be ready to take part in all co-operative concerns, small or large.

7. Co-operation in the most extensive acceptance of the word affects all classes of persons high or low, rich or poor; if all persons were from their boyhood to know something about its working there would be in time less opposition to its universal acceptance. The question of capital would be less difficult of solution than at present. In fact with the elementary principles known at school our banks would afford a fit place for the practical training in co-operation and many of the narrow-minded prejudices which are hampering the cause today would be overcome.

7. The Training Colleges for males and females for the primary and secondary classes of teachers, Arts colleges and the Agricultural colleges would be the most eligible places where education in co-operation may first begin. But if it is not possible to attempt all these institutions at once, Colleges for vernacular teachers and the Agricultural colleges would be most opportune to begin with.

8. When vernacular teachers are trained in the principles of co-operation they would be by far the best mediums for imparting rudimentary knowledge in village schools, while the agricultural college would afford the best ground for developing the higher principles by precept and practice.

9. Government have already acknowledged the intimate connection of agriculture with the development of co-operative credit in view of the large mass of the populace being agriculturists. The agricultural expert would find, therefore, the best opportunity, whether in the capacity of a farm superintendent of Government or a private entrepreneur to evolve true co-operation side by side with the improvement in agriculture. He would then be not only a person who can talk of turnips and tomatoes but may also speak with authority on effects of turnovers.

10. Expert co-operationists may thus evolve from a scheme which need not be costly at the beginning. One chair in the agricultural college may suffice at present. The successful graduates may gradually be available for lecturing and training in vernacular training colleges. The scheme would thus be gradually worked and would amply repay the cost in many ways.

11. The course of study may vary according to the particular class of persons to be educated. For the agricultural college where we really look for the best material to develop the co-operative idea, the course may be somewhat fuller, including—

(1) knowledge of cooperative Law, Departmental rules, history of co-operation, principles of banking, accounts, exchange, laws relating to registration, transfer of property, village records and parts of civil court manual relating to the conduct of suits for recovery from defaulters. The principles of commerce and commercial law might not be foreign to the subject.

12. The course may be distributed over three years; which covers the course of the instruction in agriculture.

13. With the question of education in co-operative matters is closely related the question of issuing suitable text books. The necessity is not so urgent in the higher field of instructions in the agricultural college. The literature available in the English

language about co-operation in Europe may serve for the present. As knowledge advances there would be men who may take upon themselves to write special books on questions relating to the practice of co-operation in India and there would also be men coming forward who may write vernacular texts when the time for them arrives. In the meantime booklets may issue from the Agricultural Department treating specially on co-operation and the different phases in which it may develop in particular areas according to the special circumstances governing that area.

14. The result of such a scheme will act beneficially in several ways. Among the chief advantages may be enumerated:—

1. There would be a number of men from whom to select officers for the auditing and the supervising staff which must expand with the increase in the number of registered societies.

2. There would be a sufficient staff of men who may organise societies and direct their work in proper manner, thus making societies independent of Government control except where it is needful in the interests of the people and according to law.

3. The relations between capital and labour will be smoothened when there are men who can compromise between the notoriously insolvent agriculturist and monstrous *savkár* who is often ten times worse painted than he really is.

4. By example and precept at the hands of expert managers the agriculturists can achieve many things which to him on account of lack of education appear impossible of execution.

5. Grain stores, manure depôts, and the purchase and distribution of all necessaries will be easier of management than it seems possible at present.

6. Exchanges between societies will be facilitated and conducted on sounder lines and there would be less fear and suspicion on either side.

7. There would be less room for blackmail and unscrupulous fleecing from which the ordinary ryot cannot save himself even when he has the honour of belonging to a co-operative credit society.

8. The average villager will fear less to be a member of a society when he sees that institutions are more popular subject only to a necessary minimum of control by Government.

9. The feeling of exclusiveness which is observable in many young rural associations will gradually disappear and will be replaced by true co-operative spirit.

10. The villagers need not be at the mercy of the village accountant for writing up accounts and conducting their societies.

11. The member of a village will be inspired by confidence in his bank and when there is a saving effected in his earnings he will be less shy to deposit it in the bank.

12. In short there appears everything to recommend a scheme of education in co-operative matters just in the same way as it has been found with agricultural education; and no step will, perhaps, be so timely as to think of adding co-operative credit as a subject wherever it is convenient to add it as such. Lastly, as education advances several vexed questions about the economic conditions in Indian life will receive solution at the hands of the people themselves with that help from Government which with a parental care for its subjects and due regard for preventing undue advantage being taken by one class over another it is expected to give.

APPENDIX IX.

Suggestions for discussion on Co-operative Education by Mr. V. M. Herlekar.

It is high time for the Government to take adequate steps for the spread of co-operative education, that being one of its legitimate functions in this movement.

The beginning should be made by making it an optional subject in the curriculum of the Training Colleges and Matriculation and School Final Examinations.

Provision should be made for imparting instruction in that subject by employing the services of lecturers who should be paid adequate remuneration either by the Educational Department or the Co-operative Societies' Department.

To prevent the instruction from being purely academical or theoretical services of people who are working such Societies should be utilized as far as possible.

I am fully convinced that real progress on right lines is only possible when the principles of the movement are rightly understood. As the things at present stand, the

organizers are sometimes guilty of holding out to the people, they propose to form into a Society, the bait of State help; which ought in my opinion to be put in as the last element to be relied upon. The object and aim of the help that is at present given by the State should be made clear to the people and they should from the very commencement be taught the advantage of self-help."

APPENDIX X.

Thrift in co-operation.

In submitting this note on "Thrift in co-operation" to this conference, I desire to make it clear how in the eyes of the co-operative community in the West thrift is considered a vital part of co-operation and at the present stage of the movement to emphasize the need of giving our special attention to stimulating thrift on the part of poorer members of the co-operative credit societies.

Mr. Wolff sometimes describes a co-operative credit society as a "Thrift and Credit Bank". In his opinion, if co-operative credit is to be real, independent and successful, thrift must play an important part in its organisation. He lays down a clear test of their successful development. He says:—"Wherever co-operative banks have shown themselves as credit institutions they have done so because they have first attained distinction as thrift institutions carrying out, to the best of their ability, Schulze's standing rule of gathering up every fragment of spare cash in their district." You will not go far wrong in gauging a co-operative bank by its success in collecting deposits."

I need not refer in this note to the systematic work that is being done in England by charity organisations or philanthropic young men and women to preach and promote the habit of thrift among the very poor people. There are Post office savings banks in which the indigent are induced to deposit their small savings by those that believe that it is not so much the poverty as the ignorance of the poor that prevents them from saving. There are also the collecting savings banks: simple methods like collecting penny stamps amounting to a shilling on postal forms are widely resorted to to bring within the reach of the extremely poor people means of thrift, and in a year £92,000 were saved by means of penny stamps alone. In England every fifth person is a depositor in the postal savings bank. I mention this in connection with thrift, not on the ground of its being a great moral virtue, but that it is an economic need of the poor to be told why it is necessary to be thrifty and how to acquire that habit.

In this connection a passing reference to the efforts made by German co-operators in fostering habits of thrift and collecting deposits from members of co-operative banks will not be out of place. Herr Hass, to whom the agricultural world in Germany must ever remain a debtor, did not for some time see the defect of his banks in depending upon State-help. Soon, however, he found that State-help was a weakening element and began to preach to his followers by saying "Make yourselves independent." The fruit of this pronouncement, according to Mr. Wolff, was "The practice of thrift was studied, and the lesson learnt was put into practice, with the result that large amounts of savings deposits came in, as they always do in such cases, when asked for in the proper way. In comparison with only 64,493,274 marks lying to the credit of depositors at the close of 1896, there were at the close of 1907, 1,360,293,616 marks, *i. e.*, about £68,000,000. The deposits per member came to amount to 1,132 marks, *i. e.*, £56". "The Hass Union offered prizes for the best essays on the organisation of thrift and got them circulated far and wide by the hundred thousand, with the result that very much collecting is done and that veritable heaps of money have come in, so that not infrequently there are now more assets than liabilities in the account with the State bank."

Our movement is now of nearly seven years' standing. Mr. Wolff in his review of the Indian co-operative movement says that a time will come when our societies can be trusted to inculcate the merits of thrift quite sufficiently. "What you want," he remarks, "in your banks at the outset is, not members' money, but other peoples' money". We have done that during these years and it will not now be an idle enquiry to know how we stand with regard to deposits which may be taken as an index of the saving habits of members. I do not, however, believe that the deposits which our societies have attracted can clearly indicate how far the poorer members of the present rural societies have appreciated the value of thrift. A glance at the table giving the latest figures of the transactions of our societies show how they have been financed and, so far, tell a story which is full of hope and promise. Of the total amount of capital of Rs 1,23,97,882 at the disposal of societies of all kinds, a sum of Rs. 25,33,317 has come from members alone as their deposits. This roughly works a percentage of 20 of members' deposits to the capital of the society. But going a little deeper, we find that out of these deposits, an amount of Rs. 5,96,889 only represents members' deposits in the rural societies, when their working capital amounted to Rs. 82,11,296. This gives a percentage of slightly over 7. This leaves much room for improvement, and we cannot do better than beginning to advocate

strongly the need of thrift on the part of members of our rural societies. I would divide thrift into two classes, (1) deposits of well-to-do members, and (2) small savings of very poor members. And let us now think what measures we could recommend to promote thrift coming under class No. 2. It is suggested that our societies, in places where there are no Postal Savings Banks, should open a department of receiving small savings of the members on current account system. In Austria and Hungary the co-operative credit societies have been availed of for this purpose in very backward rural districts. Considering the amount of business done by the Postal Savings Banks from year to year in this country, I think there is a very large field for such profitable work by our societies. Cannon Revington from Betgiri-Gadag told me that such a branch of work has been self-supporting in his society. Moreover, Mr. Henry C. Divine in his book on co-operative banks has recommended the method of "Home-safe system" as one that has answered very well its purpose in the case of poorer people. If I mistake not Messrs. Sane and Herlekar intended to try this method. My little experience of it in the Hadapsar society has proved very encouraging. A small box costing about 4 annas is made available for a member nearly 50 such boxes have been voluntarily taken by members and put on the walls of their houses to enable themselves their wives and children to deposit their small savings in them. In this way a sum of nearly Rs. 275 been collected so far and the results of the last six months working of this experiment give an average of 8 annas as savings per member per month. The money is credited to the account of the member every month on current account and a small interest is paid. I would, therefore, confidently recommend that if rural societies are ever to learn the habit of thrift they must be taught to do so by persuasive means and they should also be advised to resort to this Home-safe system. I would also suggest that in order to induce the societies to make a special effort in this direction, the Registrar may be requested to confer some suitable mark of recognition upon such societies as would show a distinct advance in the development of thrift of both the classes.

In conclusion, I venture to think that if wise economy and profitable investment were coupled with the habit of thrift it will bear in course of time ample fruit.

G. K. DEVDHAR.

APPENDIX XI.

Note on the Progress and the Future working of the Hand Loom Weaving Industry.

During the past 1½ years many towns of the Presidency have been visited for pushing on the work of co-operating and organizing the weavers, and explaining them the many advantages of using different motions from those which they have been familiar with for many years. The result of such work cannot be seen during the first year of working. Nothing has been explained to the weavers, but what can be carried out successfully, especially if the standard of work already done is maintained during the next two or three years.

Generally the weavers are very backward in connection with the improvements which have been made in other countries; this is evident from their present methods of working, as the processes are those which were in vogue previous to the introduction of the fly shuttle loom in England about 1750.

Much time has been devoted in explaining to the weavers what has been done, and what they may do to keep their present markets and in gaining others for the sale of their cloths. On visiting any hand loom weaving centre, the first thing that the weavers would say is this that there is no better method of making cloth in existence than their own. Just at present they are against making any improvement.

They are left alone for several weeks to think over what has been said. Several visits are made to the same centre, and some other part of the work is explained to them. After these several visits a few of the weavers take a greater interest at the meeting and invariably desire to hear something more of the principles of co-operation and the different methods which can advantageously be introduced for making hand loom cloths.

From the experience and the knowledge gained by visiting many towns in this Presidency, the condition and position of the weavers make it quite clear to me that any improved method which would be introduced must be very simple and cheap and free from intricate mechanism and one that would introduce the minimum of change on the old method of working.

The beginning must be made by improving the loom, so that a greater length of cloth will be made in a given time. To meet the conditions and prejudices of the weavers, I am busy making fly shuttle motions and attaching the same to the weavers' pit loom, at the cost of Rs. 10 to Rs 12. One or two of such motions will be sent to each hand loom weaving centre. We shall require from 50 to 60 fly shuttle motions and in addition healds, reeds, and short warps; for the development of this part of the work I ask for a grant of Rs. 2,000 to the Victoria Jubilee Technical Institute.

This simple motion should increase the production of cloth at least 70 per cent. when the weaver has got familiar with the motion. It is more suitable for the poor weaver than the automatic hand looms which cost from Rs. 70 to 150 each. These looms are too intricate in mechanism and high in price. The loom which I am getting prepared is so simple and easy to undertake that any ordinary carpenter or weaver can repair it which is an essential point in its favour.

When the motion has become popular there will be an opening for the small capitalist. A hand loom weaving factory of 12 looms with the present method of warping and sizing can then be started with about Rs. 1,000, for the looms approximately Rs. 360 and warp and weft Rs. 640, from which a profit of Rs. 35 per loom should be made when manufacturing cotton and silk sarees.

After the fly shuttle motion has become popular in different hand loom weaving centres, it is my intention to make some improvement in the method of preparing the yarn for the weaver. I do not anticipate much opposition to this part as the weaver will see that it is more or less a necessity from the fact of the increased production of cloth by the fly shuttle motion. The improvements will be developed with the view of making longer warps, which will further increase the productiveness of the loom. It will be obvious to you that some improvement is necessary in this part of weaving when you are informed that the cost of preparing one pound of yarn by the native method is 300 per cent. greater than that of the power loom weaver.

As an experiment I intend getting warp yarn prepared in a Bombay mill for making ordinary cotton sarees. The warp will be sent to the weaver either on a roller or in the form of a ball. This method will be given a trial in different hand loom centres and if found to be a success it will be necessary to get machinery to do the work.

From experience I know that hand sizing is not suitable for single yarns. We shall have to use one or a combination of two or more of the following methods of preparing the yarn, Slasher sizing, Dresser and ball warps.

Up to the present time the fly shuttle motion has been sent to three hand loom centres. The weaver at Dharangaon has very little difficulty in making solid cotton sarees and silk bordered sarees. The production is eight yards per day while that of the ordinary loom is about five yards of cloth. Before he would work the loom I had to buy the warp as he would not use his own for fear that the fly shuttle motion would spoil it. The merchants of the town are satisfied with the quality of the cloth. At the present time the weaver is making silk figured border which is known as the Burhanpur saree.

It is our duty to instruct the rising generation of the hand loom weavers with the improved motions and methods of manufactures, which will enable them to make a greater variety of cloths than have hitherto been made. The hand loom weaving industry is an old established one; it was in existence before Technical and Industrial education. Very little has been done to stimulate the advancement of this handicraft when compared with the help given in training the educated classes of Bombay.

We require small weaving factories or schools for imparting technical instruction to the rising generation of weavers, not for experimenting, as this can be done much better by men of experience. Much time and money has already been wasted in experimenting by men who have known very little of the art of weaving.

Instructors will be required for the schools and such men should have an experience of the different methods of preparing yarn and the working of the fly shuttle loom. The man in charge of the school must belong to weaver's class.

I beg to suggest that a hand loom weaving department be started at the Victoria Jubilee Technical Institute, Bombay, for the purpose of training actual weavers to be instructors in the above schools. For a start there should be about 12 looms and each loom arranged to work a different kind of cloth. The loom with pickers, shuttles, healds, and reeds, etc., should not cost more than Rs. 40 and yarn for each loom Rs. 40. The latter will not be a recurring cost because the yarn will be made into cloth and sold at the market price from which yarns can be bought for future use. Instruction will be given about the quality of yarns, dyeing, and the costing of the cloths; for this part of the work I shall require about Rs. 1,000. For winding, warping, dyeing and sizing, about Rs. 1,500 will be required.

To carry out this work a working room will be required which will probably cost about Rs. 2,500. The instruction will be given in the vernacular; a man will be required for teaching under my supervision; at about Rs. 60 per month and second man about Rs 16 per month. At the outset we would select the most promising weaver of the hand loom centre in which there is established a co-operative society. Probably we could take from 14 to 18 weavers, they would be given a training in the method and practice of teaching textile work, methods of warping, sizing, dyeing, and making of new designs. The last-named is greatly needed for the improvement of old designs and making others suitable for the purpose. After a training of about nine months these weavers can be given charge of a small weaving school in their own district and impart their acquired

knowledge to the sons of the weaver class. Government scholarships of about Rs. 10 per mensem should be provided for the weavers who attend this artisan hand loom weaving class. The Municipalities and District Local Boards may be asked to supplement their nominees' scholarships in order to make it sufficient for maintenance of the weavers.

I give five advantages gained by training actual weavers to be teachers of hand loom classes :—

(1) The trained weaver will have a better idea of their work as teachers.

(2) Weavers join with a definite object in view, that is to acquire knowledge which will be useful for the advancement of the industry.

(3) After such training the weaver should not experience any great difficulty in obtaining suitable work.

(4) Weavers will get familiar with the making of cloths not made in his locality.

(5) It will be a very cheap medium for imparting knowledge to the weavers in the different parts of the presidency.

To develop this part of the industrial education more outlying weaving schools should be established and trained weavers should be in charge of the classes; such schools can be equipped with hand looms and a stock of yarns bought for working the looms for Rs. 800 to 1,000; and for teaching Rs. 50 to 60 per month may do. After 12 months' working these schools should be self-supporting from the cloth manufactured and sold in the local markets.

What we should aim at in this weaving school is to train boys to use the improved motions and methods of work other than there are outside. Boys so trained after leaving the school will not fall back, if they can prevent it, upon the inferior motions and processes of the old weaver. These schools will certainly raise the standard of skill among this artisan class. If they cannot find the necessary capital themselves, these improved motions should be given out and paid for from their monthly earnings.

The course of work should not only aim at improving manual skill but also at developing the mental powers of the students on such lines as will make them better workmen.

After six months' working of such a school, we could distribute about Rs. 5 weekly to the students as prize money in proportion to the work done. This will certainly create a keen competition among them, and it would result in a far greater interest being taken in the work.

From what has been said it will be seen that the weaving factory should be a school for imparting technical instruction in the art of weaving and not for solving problems for determining the best loom, and the method of warping, and sizing, as this part will be done much better by men experienced in weaving. I am confident by giving instruction to the children of the weavers that hand loom weaving is capable of further expansion. For getting the old weavers in touch with the improved methods, exhibitions may be held in the schools at different times, from which the grown-up weavers will learn something to their advantage. At the exhibition prizes should be given for new designs or excellent work.

To sum up, the proposals which I have made are the following :—

(1) Attaching to the native hand loom the fly shuttle motion, which will enable the weaver to produce a greater length of cloth in a given time.

(2) Introducing new methods of warping and sizing to lessen the cost of making the warp ready for the loom. I beg to suggest that this work be done at the Victoria Jubilee Technical Institute under my supervision, and that Government make a grant of Rs. 2,000 for carrying on this work during the present year.

(3) Starting a hand loom weaving department at the same Institute for the special benefit of the hand loom weavers with a view to training weavers to take up the position of teachers in the weaving schools which may be started in different parts of the Presidency. Approximate Cost—Rs. 5,000.

(4) Starting small weaving schools in the principal hand loom weaving centres, with a view to training the children of weavers in the improved methods of weaving.

A weaving school should be started on from Rs. 800 to Rs. 1,000 and for maintenance Rs. 50 to 60 per month.

W. T. POMFRET.

APPENDIX XII.

Resolutions and decisions of the Provincial Co-operative Conference held in Poona on 23rd and 24th June 1911.

Subject Nos.	Resolutions and decisions.
I and II ...	I.—Registrar's remarks on subjects Nos. 1 and 2 accepted without discussion.
III ...	II.—“ A Committee consisting of :— The Honourable Mr. Curtis, Mr. Sane, Mr. Devdhar, Mr. Chitale, Mr. Kale, Mr. Herlekar, and Mr. Mulji, should consult Co-operative Credit Societies on the proposals embodied in the Honourable Mr. Curtis' Note, and having acquainted themselves with the view of Societies make a representation to Government or take such further action as might be necessary.”
.. ...	III.—“ Mr. Chirnule's Note (on subject 3) should be referred to the Registrar for action.”
IV ...	IV.—“ The recommendations contained in paragraphs 3, 4 and 5 of the Note (Committee's Report) should be adopted and the Registrar requested to take such steps as may be necessary to give effect to them.”
V ...	V.—“ Mr. Sane's Note be recorded.”
VI ...	VI.—The Note be recorded; and Mr. Devdhar asked to bring it in a more precise form before the next Conference.
X ...	VII.—Difficulties of Societies discussed, as put forward, without definite resolutions thereon.
VIII ...	VIII.—“ (1) The Educational Department be invited to assist in the spread of Co-operative education; and (2) in the opinion of this Conference there is a great need for vernacular literature on the subject of Co-operation in all its forms and for an active propaganda for the education of classes.”
IX ...	IX.—Mr. Pomfret's Note on “ Weaving ” recorded.
VII ...	X.—Mr. Devdhar's Note on “ Thrift ” be circulated for information and guidance.