

PROCEEDINGS

OF THE

**PROVINCIAL CO-OPERATIVE
CONFERENCE**

HELD IN

POONA

SEPTEMBER 19 & 20, 1913

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AGENDA.

Subjects.	Speakers.
1. Opening address	His Excellency the Governor.
2. Account of Divisional Conferences ...	The Registrar, C. S.
3. Education the first condition of Co-operation.	Sir Vithaldas Thakersey, Director, Bombay Central Co-operative Bank.
4. The Secretary and his Remuneration .	Mr. V. M. Herlekar, B.A., LL.B., Chairman, Southern Marátha C.C.S.
5. An English Co-operative Journal ...	Mr. P. V. Ramunni, Editor, "Commerce & Co-operation."
6. Co-operative Housing Association ...	Mr. K. N. Desai, M.A., LL.B., Chairman, Northern Gujarát C.C.S. Mr. S. S. Talmaki, B.A., LL.B., Chairman, Shamrao Vithal C.C.S.
7. Co-operation among Mill-hands ...	Mr. G. K. Devdhar, M.A., Servants of India Society.
8. Limitation of loans to Societies according to their needs instead of their assets.	Ráo Bahádur Khandubhai G. Desai, Honorary Organizer, Surat.
9. Common Defects of Co-operative Societies.	Rao Saheb S. J. Deshmukh, Honorary Organizer, Bijápur. Mr. R. M. Sane, Honorary Organizer, Sholápur.
10. Desirability of exempting District Banks from Section 5 (b) of Act II of 1912.	Sardar Ráo Bahádur Motilal Chunilal, Honorary Organizer, Gujarát.
11. Co-operative Societies and Village Sanitation.	Mr. R. G. Naik, Honorary Organizer, Belgaum. Honorable Ráo Bahádur S. K. Rodda, Honorary Organizer, Dhárwár.
12. Growth of Rural Co-operation in the Deccan and its future goal.	Mr. G. K. Chitale, B.A., LL.B., Honorary Organizer, Ahmednagar.
13. Miscellaneous Questions.	

REPORT.

OF THE PROCEEDINGS OF THE FIFTH PROVINCIAL CO-OPERATIVE CONFERENCE HELD IN POONA ON SEPTEMBER 19TH AND 20TH, 1913.

The Conference met at 11-30 a. m. on Friday, September 19th, in the Council Hall, Poona.

Present :

His Excellency the Right Honorable Lord Willingdon of Ratton, G.C.I.E., Governor of Bombay.

The Hon'ble Sir Richard A. Lamb, K.C.S.I., C.I.E., I.C.S., Member of Council.

The Hon'ble Mr. C. H. A. Hill, C.S.I., C.I.E., I.C.S., Member of Council.

The Hon'ble Mr. Prabashankar D. Pattani, C.I.E., Member of Council.

The Hon'ble Mr. S. R. Arthur, I.C.S., Commissioner, C. D.

Amritlal V. Thakur, Esq., Bombay.

R. B. Badve, Esq., B.A., Special Mámlatdár, Co-operative Societies, Bárámati.

G. G. Bandewadiker, Esq., Auditor, Co-operative Societies, Konkán Division.

K. B. Bhadrapur, Esq., M.A., Dhárwár.

Ráo Bahádur K. N. Bhangonker, Honorary Organizer, Dhulia.

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

Chimanlal Harderam, Esq., Secretary, Broach Agricultural Association.

G. K. Chitalé, Esq., B.A., LL.B., Honorary Organizer, Ahmednagar.

N. S. Chitguppi, Esq., Hubli.

Sardár Bohmanji Ardesar Dalal, Panch Maháls.

Ráo Bahádur A. G. Dandekar, Chairman, Kelva-Máhim Co-operative Society.

Ráo Bahádur Ichharam B. Dalal, Retired Huzur Deputy Collector, Poona.

H. Denning, Esq., I.C.S., Násik.

Bhimabhai N. Desai, Esq., Divisional Inspector of Agriculture, N. D.

G. G. Desai, Esq., M.A., District Deputy Collector, Bijápur.

Narendra Motilal Desai, Esq., Secretary, Broach Union.

Krishnalal M. Desai, Esq., M.A., LL.B., Chairman, Northern Gujarát Co-operative Credit Society.

Ramlal Motilal Desai, Esq., Secretary, Northern Gujarát Co-operative Credit Society.

V. A. Desai, Esq., B.A., Servants of India Society, Poona.

Gunvantraí H. Desai, Esq., B.A., Auditor, Co-operative Societies, N. D.

Gulabbhai N. Desai, Esq., Weaving Expert Assistant to the Registrar, Co-operative Societies.

Ráo Bahádur K. G. Desai, Honorary Organizer, Surat.

Sardár Ráo Bahádur Motilal Chunilal, Honorary Organizer, Gujarát, Broach.

Manvantraí J. Desai, Esq., Honorary Organizer, Panch Maháls, Kalol.

Ráo Bahádur Naranbhai L. Desai, Honorary Organizer, Surat.

Ráo Sáheb S. J. Deshmukh, Honorary Organizer, Bijápur.

- B. R. Deshmukh, Esq., Mámlatdár of Dindori.
 G. K. Devdhar, Esq., M.A., Servants of India Society, Bombay.
 M. N. Dhapure, Esq., Chairman, Maroli Co-operative Credit Society.
 Sardár K. R. Dhulap, Honorary Organizer, Ratnágiri.
 R. R. Divekar, Esq., Special Mámlatdár, Co-operative Societies, S. D.
 R. B. Ewbank, Esq., I.C.S., Registrar, Co-operative Societies.
 S. D. Garud, Esq., B.A., Honorary Organizer, Dhulia.
 S. S. Ghali, Esq., Mámlatdár of Bijápur.
 R. E. Gibson, Esq., I.C.S., Private Secretary to His Excellency the Governor.
 G. O. Gidney, Esq., Excise Inspector, Ahmednagar.
 T. Gilbert, Esq., Deputy Director of Agriculture, S. D.
 The Honorable Mr. K. R. Godbole, Poona.
 K. H. Gokhale, Esq., Chairman, Cosmos Co-operative Credit Society, Poona.
 V. H. Gonehalli, Esq., M.A., Extra Deputy Director of Agriculture, Konkán,
 and Assistant Registrar, Co-operative Societies.
 K. S. Gore, Esq., Auditor, Co-operative Societies, C. D.
 P. G. Halkatti, Esq., B.A., LL.B., Bijápur.
 D. M. Herlekar, Esq., Secretary, Dhárwár Agricultural Co-operative Credit
 Society.
 V. M. Herlekar, Esq., B.A., LL.B., Chairman, Southern Marátha Urbán Co-
 operative Society.
 R. K. Inamati, Esq., Chairman, Annegiri Co-operative Credit Society.
 Sardar Shambhusing Jadhavrao, Raje of Malegaon.
 Kumar Ratansinha Shambhusing Jadhavrao, Chairman, Málegaon Co-
 operative Credit Society.
 D. K. Jadhav, Esq., Chairman, Kurul Co-operative Credit Society.
 D. R. Jani, Esq., Enquiry Officer, Bombay Central Co-operative Bank, Limited.
 V. S. Jog, Esq., Chairman, Pandharpur Co-operative Credit Society.
 G. V. Joglekar, Esq., B.A., District Deputy Collector, East Khándesh,
 Jalgaon.
 Ráo Bahádur R. N. Joglekar, I.S.O., Assistant to the Commissioner, C. D.
 V. A. Joshi, Esq., Pandharpur.
 N. M. Joshi, Esq., Servants of India Society, Bombay.
 M. J. Kadri, Esq., Sub-Judge, Umreth.
 The Hon'ble Mr. B. S. Kamat, Poona.
 S. V. Karandikar, Esq., Bárámati.
 Ráo Sáheb G. K. Kelkar, Extra Deputy Director of Agriculture, C. D.
 S. N. Keshvain, Esq., Chairman, Sirsi Co-operative Credit Society.
 B. W. Kissan, Esq., I.C.S., Special Building Sites Officer, Sálsette.
 J. B. Knight, Esq., M.Sc., Professor of Agriculture.
 N. S. Kowshik, Esq., Secretary, Shamrao Vithal Co-operative Credit Society.
 Ráo Sáheb M. L. Kulkarni, Divisional Inspector of Agriculture, S. D.
 M. S. Kulkarni, Esq., Additional Honorary Organizer, Dhárwár.
 S. R. Kulkarni, Esq., Secretary, Chichondi Patil Co-operative Credit Society.
 B. K. Kurtkoti, Esq., B.A., Mámlatdár of Gokák.
 Labhashankar Samaldas, Esq., Mámlatdár of Mándvi.
 J. P. Lakhia, Esq., Honorary Organizer, Ahmedabad.
 Laxmiram Mahipatram, Esq., Honorary Organizer, Broach.
 G. Leathem, Esq., I.C.S., Poona.
 A. U. Malji, Esq., Chairman, Broach Mill-hands Co-operative Credit Society.
 Dr. H. H. Mann, Principal, Agricultural College.
 Lieut.-Colonel H. M. Maxwell, Superintendent, Civil Veterinary Department.

The Hon'ble Mr. Lallubhai S. Mehta, Director, Bombay Central Co-operative Bank, Limited.

Vaikunth L. Mehta, Esq., B.A., Manager, Bombay Central Co-operative Bank, Limited.

R. L. Mehta, Esq., Agent, Central Bank, Bárámati.

G. L. Mirikar, Esq., Chairman, Miri Co-operative Credit Society.

Khán Bahádur Bohmanji E. Modi, Chairman, Surat District Ünjon.

L. J. Mountford, Esq., I.C.S., Collector of Poona.

Sardár Cooposwámi Mudliar, Poona.

R. G. Naik, Esq., Honorary Organizer, Belgaum.

The Hon'ble Ráo Sáheb V. S. Naik of Ranibennur.

D. V. Nagargatti, Esq., Maháلكari of Murgad.

M. B. Nanawati, Esq., Registrar, Co-operative Societies, Baroda.

J. Nissim, Esq., I.C.S., Secretary of the Legislative Council.

G. J. Padhye, Esq., Special Mámlatdár, Co-operative Societies, C. D., Sátára.

Y. N. Palsikar, Esq., Honorary Organizer, Násik.

Ráo Sáheb P. N. Pandit, Honorary Organizer, Kánara, Sirsi.

B. V. Pathakji, Esq., Jagirdár, Varacha, Surat.

S. G. Parégaonkar, Esq., Sangámner.

P. E. Percival, Esq., I.C.S., Remembrancer of Legal Affairs.

G. B. Phansalkar, Esq., Director of Sátára Union.

The Hon'ble Moulvi Rafiuddin Ahmed, President, Anjuman-e-Islám, Málegaon.

Purshotum Icharam, Esq., Secretary, Sonsek Co-operative Credit Society.

Purshotumdas Thakurdas, Esq., Mill-owner, Bombay.

H. O. Quin, Esq., I.C.S., Commissioner of Customs.

P. V. Ramunni, Esq., Editor, "Commerce and Co-operation."

The Hon'ble Ráo Bahádur S. K. Rodda, Honorary Organizer, Dhárwár.

Khán Sáheb Saidumia Faizumia; Honorary Organizer, Kaira.

R. M. Sane, Esq., Honorary Organizer, Sholápur, Bársi.

Ráo Sáheb Shivismurtiswami Kanbargimath, Secretary, Gokák Mill-hands Co-operative Credit Society.

W. C. Shepherd, Esq., I.C.S., Poona.

W. W. Smart, Esq., I.C.S., Director of Agriculture.

G. P. Sulakhe, Esq., Bársi.

N. P. Surnis, Esq., Pandharpur.

S. S. Talmaki, Esq., B.A., LL.B., Chairman, Shamrao Vithal Co-operative Credit Society.

S. V. Telang, Esq., Weaving Expert Assistant to the Registrar, Co-operative Societies.

Sir Vithaldas D. Thackersey, Kt., Director, Bombay Central Co-operative Bank, Ltd.

Thakor Saheb of Jámbughoda, Rewa Kántha.

L. V. Tikekar, Esq., Sholápur.

R. L. Udyawar, Esq., Auditor, Co-operative Societies, S. D.

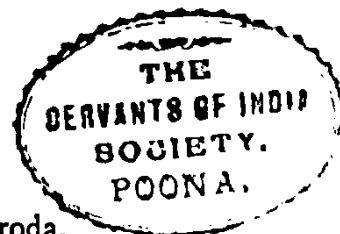
M. R. Uplekar, Esq., Bárámati.

B. B. Vaidya, Esq., Honorary Secretary, Bársi Agricultural Association.

V. P. Wagle, Esq., Hubli.

K. R. Valvekar, Esq., Chairman, Hubli Urban Co-operative Credit Society.

S. V. Yadgeri, Esq., Ranibennur.



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

Gentlemen,

Very few days have elapsed since I had the privilege and pleasure of welcoming to this hall a large and representative gathering of gentlemen interested in the progress of agriculture in this Presidency, and I trust and believe that their deliberations will be fruitful of practical suggestions which may be of much practical advantage to that industry. I have now the pleasure of greeting you gentlemen to-day, who are met to discuss the past year's work of an undertaking which is of the highest importance to agriculture and its allied industries. I am delighted to welcome you this morning, and trust that your discussion may be of the greatest value in helping forward the Co-operative movement, and in framing such measures as will educate the minds of the people in the principle of 'Each for all and all for each' which is the main basis of Co-operation. I think we shall be agreed that a word of sincere congratulation is due to Mr. Ewbank for his most instructive and lucid report, which enables us to realise the work of the past year, and how wide are becoming the ramifications of the co-operative movement through the Presidency. Let me draw attention to one or two points which have particularly struck me from reading that report. In the first place I should like to sincerely thank, as Governor, all those gentlemen who, I observe, have voluntarily done so much to help forward this undertaking. I will not refer to individuals, but I trust that their excellent example may be followed by many others, and that those who have influence in their particular districts may be willing to undertake the responsible task, by their example and interest, of improving the condition of the wage-earners and farmers by assisting them to a real knowledge of the great benefits of co-operation.

I am glad to note too that the progress this year has outstripped all previous records, and this is proved by the fact that during the year the number of societies of all kinds has risen from 368 to 515, the membership from 29,419 to 46,537 and the working capital from Rs. 32,08,911 to Rs. 49,31,942. This steady and continuous progress is particularly satisfactory when we consider that only last year Government gave up assisting financially Co-operative Societies, except in very exceptional instances. That this withdrawal of assistance has in no way retarded the steady growth of Co-operation shows clearly that it has taken a real hold on the people, who are evidently able to establish Societies now on independent lines and under true co-operative principles.

Some have said that our progress is slow as compared with other parts of this country. This may be true, but at least we can feel that it is sure, and I always think there is an excellent reason for such a scheme as this not moving forward with great rapidity.

I think it will be agreed that in any country, when a Government proposes to bring in a measure which they consider will be greatly to the benefit of any class of people, there is generally, especially among agricultural classes, a feeling of suspicion and doubt as to the merits of the measure, owing to a want of knowledge of its exact provisions; that may be so in this case, and that is why I wish to urge so strongly that men of influence throughout the country should assist in the education of the people to the lasting benefits of Co-operation.

Co-operative Credit must be the foundation of Co-operation, and in this connection let me say how much we are indebted to the splendid work of Sir Vithaldas Thackersey and Mr. Lalubhai Samaldas for establishing the Central Credit Bank which has been such an immense help in starting Societies. We have first to release the people from the debts which have heavily burdened them for years, but after that I trust that great efforts will be made to widen the scope of co-operation. I believe that by this means there are vast possibilities for increasing the public welfare and improving the general condition of our people through the country. What does Co-operation mean? It means mutual effort for mutual good. It is not sectarian or political and makes no distinction of caste or creed and at its root lies the principle of effort by the individual to better his own condition by his own work in such a way that he will be able to help in the improvement of the public welfare.

And what are the benefits that Co-operation will bring? I was reading a few days ago an account in the "London Times" of a great Meeting held in England.

in support of the co-operative movement. Lord Grey, lately Governor General of Canada, who was Chairman of the Meeting, in his speech expressed so well the great benefits to be secured that I venture to read this extract from his remarks. This is what he says: "What is the nature of the benefit which the application of the co-operative principle to our industrial system claims to our people? The application of the co-operative principle to our industrial life has proved in England, the United States, France, Germany, Denmark and Ireland that by the substitution of organized distribution for unorganized distribution, by the substitution of co-operative transportation and marketing for individual selling and of the co-operative use of power for the individual use of expensive machinery, the wants of both producer and consumer can be met more effectively and at less cost. In this way it secures to the consumer a reduction in the cost of living and a greater command of not only the necessaries but the comforts and conveniences of life—a most material consideration in this age of rising prices,—and to the producer it secures a substantial increase in the amount of net profits available for distribution, or in other words, an increase of that fund from which alone can be drawn those higher wages which we all desire to secure for the underpaid workers of the civilised world. Co-operation means the elimination of every unnecessary middleman. Every middleman not required by a wise and practical system of co-operative organisation cannot be regarded in any other light than that of a parasite. The vital interests of Society call for his removal and Co-operation shows how he can be removed. The principle of Co-operation requires that the services of every necessary middleman shall be adequately and honourably remunerated but it also requires that every unnecessary toll taken from an article on its way from the producer to the consumer shall be removed." An admirable statement, I think you will agree, of what Co-operation will give if undertaken in the proper spirit and with honesty and integrity of purpose.

In conclusion let me once more express the sincere pleasure I feel at meeting you to-day; let me trust that your Conference may be productive of the best results; and let me hope that we shall see in the future all races and all classes working together, in a mutual effort for a mutual ideal, *vis.*, the progress of our great industries and the prosperity and welfare of the people of the Presidency.

II

ACCOUNT OF DIVISIONAL CONFERENCES.

The Registrar after thanking His Excellency the Governor for his very sympathetic speech and the members of the Executive Council for being present at the Conference in person went on to give an account of the ways in which effect had been given to the Resolutions of the Provincial Conference of the last year. That Conference had asked for no special concession from Government and the only resolution during the year which had to be taken up by Government was one passed by the Divisional Co-operative Conference at Dhárwár, calling attention to certain inconveniences in the Post Office Savings Bank Rules. The Government of India had altered the rules and the Post Master General now allowed societies to withdraw sums up to 3,000 Rupees from Post Offices at Taluka and District Head-quarters on three days' notice and from all other post-offices on seven days' notice and sums up to 10,000 Rupees, from any post office on ten days' notice.

Several resolutions called for action from the officers of the Department. They had been asked to apply co-operative principles to agriculture on an extended scale. A beginning had been made. Seed societies, manure societies, and agricultural societies had been opened. The industry of the Ganja growers had been re-organized co-operatively. They were within sight of the first co-operative dairy.

The resolution advocating the formation of Unions had been met by starting two new Unions at Dhárwár and Sátára, and converting three District Banks at Bársi, Broach and Surat into Central Banking Unions.

The resolution recommending an English Co-operative Review had been carried into effect by private enterprise. The Editor of "Commerce and Co-operation," Mr. P. V. Ramunni, was present at the Conference and was anxious to hear suggestions and criticisms. The continued existence of the paper depended on the practical support which it received.

The resolutions at the Divisional Conferences were intended chiefly for the guidance of the societies themselves. They had been translated and were laid before the Conference. (*Appendix I.*)

The Registrar then described briefly the procedure that was to be followed at the Conference and extended a welcome to the new visitors and supporters who were present.

Sir Vithaldas Thackersey proposed a vote of thanks to His Excellency the Governor for presiding at the Conference.

His Excellency the Governor, in reply, regretted that the public business of the Conference had concluded so early and assured those present of his deep interest in their work.

His Excellency then vacated the chair which was taken by the Honorable Sir Richard Lamb.

The Registrar then proposed that subjects Nos. 3, 5, 7, 9, 10 and 11 should be referred to select committees. After the names of members had been read out, the conference adjourned and resolved itself into committees.

SECOND DAY.

The Conference assembled at the Council Hall at 10 a. m. The Honorable Sir Richard Lamb in the Chair.

EDUCATION AS THE FIRST CONDITION OF CO-OPERATION.

III

(*Appendix II.*)

The paper of Sir Vithaldas had been referred to a sub-committee which submitted the following report:—

Resolved that the sub-committee approves of the principle underlying the paper placed before this Conference by Sir Vithaldas D. Thackersey headed "Education as the first condition of Co-operation" and recommends that the Central and District Banks and Unions should try in their own sphere to induce the Co-operative Societies to insist on their respective members sending their children of school-going age (7 to 12 years) to school, provided the necessary facility is available in their locality.

(Sd.) VITHALDAS D. THACKERSEY,	(Sd.) K. H. GOKHALE.
(Chairman).	
„ RAJESHAMBHUSING JADHAV- RAO, of Malegaon.	„ R. K. INAMATI.
„ R. N. JOGLEKAR.	„ PURUSHOTTAMDAS THAKORDAS.
„ P. G. HALKATTI.	„ G. G. DESAI.
„ R. B. BADVE.	„ P. N. PANDIT.
„ NARAYENBHAI L. DESAI.	

In introducing the Resolution of the Committee *Sir Vithaldas Thackersey* explained the reasons which led him to take up the subject. The progress of the movement was hindered by the present state of education amongst the rural classes. A sufficient number of educated Committee men must be available for managing a Society properly without extraneous help. At present most Societies were started from above, by the pressure of officials or the Honorary Organizers. The movement would only become spontaneous when the agriculturists were educated themselves to appreciate the advantages of the movement.

Government had admitted the principle of Mr. Gokhale's Bill, *viz.*, the need of primary education amongst the masses, but were not yet prepared to resort

to compulsion. Co-operative Societies might undertake a work which Government had left untouched. The Central Bank had collected much information on the subject of the literacy of Co-operative Societies. This had been tabulated. (*Appendix III.*) At Baramati it was found that in some Societies only two members of the Committee could read or write. If education be extended now, in another generation the Societies will be able to control their own affairs. The members of the Baramati Societies were with few exceptions willing to send their children to school. It was not intended to penalise Societies whose members did not comply, but by threats of raising the rate of interest and by moral pressure, to induce them to do so. The compulsion was of a mild nature. The hours of instruction might be so arranged as not to interfere with field work.

In a digression Sir Vithaldas explained the scope and methods of the scheme adopted at Baramati and the need of resorting to every possible means in order to secure efficiency and security.

Mr. R. G. Naik, while accepting the principles underlying the resolution, took exception to the word "insist." He was strongly opposed to any sort of compulsion by financial pressure. He thought the word "persuade" or "induce" would be sufficiently strong.

Mr. G. K. Deodhar said that if Mr. Naik accepted the principle of Mr. Gokhale's Bill he ought also to approve any means which might give effect to that principle. If compulsion were necessary there was no reason why it should not be applied by Co-operative Banks. He considered that without the word "insist" the resolution would be deprived of its chief point.

Mr. Walvekar supported Mr. Naik's amendment. He believed that while the movement was still in its infancy it would be unwise to use Co-operative Societies as a means for introducing compulsory education. It was the business of the educated classes to teach their brethren the value of primary education.

Mr. Purshottamdas Thakurdas considered that by substituting the word "persuade" for "insist" the resolution would be reduced to a platitude. Sir Vithaldas wanted to kill two birds with one stone, to increase the business of the Central Bank and to place it on safer lines. It was not intended to penalise Societies by altogether refusing loans but to offer them inducement in the shape of a lower rate of interest. The resolution was expressed in general terms and the details ought to be worked out tactfully by the Directors and the Registrar. He strongly supported the resolution and suggested that the working of the experiment should be reported upon next year.

The Hon'ble Mr. Lallubhai Samaldas assured the Conference that the Central Bank would not impose disabilities on Societies. It would do what it could to further education and to abolish the ignorance which was a cause of much loss to Societies. He quoted an instance of a mistake about a Remittance Transfer Receipt to prove the sort of loss that was incurred.

Mr. G. K. Chitale was surprised at the attitude of Mr. Naik and his colleagues and thought that Sir Vithaldas was misunderstood. A message of hope should be carried to the Rayat. Inducements in the form of scholarships and gifts might be held out to him. Compulsory education was only a matter of time. The resolution would be a bludgeon with which to fight ignorance.

The Hon'ble Rao Bahadur Rodda considered that the resolution was a wise one but that the word "insist" might cause alarm. It was the bounden duty of Societies to advance the welfare of their members in all ways. A Society might utilize a portion of its funds in charity. Could there be more worthy objects of charity than the advancement of education and sanitation? The word "persuade" should be substituted for the word "insist."

Mr. Tarkunde urged that the resolution should be retained in its present form in order to secure better and more efficient management and thought that lessons on thrift and co-operation should be inserted in the Vernacular Text-books.

Sir Vithaldas Thackersey said that the word "insist" had been adopted after a good deal of discussion in Committee. He looked forward to a time when the movement would be strengthened by efficient and intelligent management.

The Hon'ble the President, in winding up the discussion, observed that the amendment suggested by Mr. Naik seemed to him reasonable. He recommended that the word insist should be removed from the resolution.

Sir Vithaldas accepted the Chairman's suggestion on behalf of himself and his Committee and the following resolution was unanimously adopted :—

RESOLUTION.

“ This Conference approves of the principle underlying the paper placed before it by Sir Vithaldas Thackersey and recommends that the Central and District Banks and Unions should try in their own sphere to induce the Co-operative Societies to persuade their respective members to send their children of school-going age (7—12 years) to schools; provided the necessary facility is available in their locality.”

SECRETARY AND HIS REMUNERATION.

IV

(Appendix IV.)

Mr. Herlekar in introducing his paper said that his suggestions were based on a long experience of Co-operative work. If Societies were to be properly managed the Secretaries must be adequately paid. Nothing could be expected for one or two rupees a month. The scope of Co-operation was continually widening and more skilled management had become necessary. The Honorary Organizers and Officers of the Department could not reach every remote Society. It was impossible to give sufficient instruction to backward Secretaries.

He did not wish to propose any resolution on his paper.

The Registrar explained the view of his Department. Where adjoining societies were ready to club together and retain a whole-time Secretary that course should be adopted. The Department was ready to train such men in Co-operative work and account keeping.

On the motion of the President the paper was recorded with thanks.

AN ENGLISH CO-OPERATIVE JOURNAL.

V

(Appendix V.)

Mr. P. V. Ramunni in introducing his paper remarked that the need of a Co-operative Journal was a long felt one. The salvation of India lay in Co-operation. In Madras the experiment of starting an Official Journal on Co-operation had been tried but had failed. He traced the history of journalism in England and read paragraph 2 on the third page of his paper.

The Registrar referred to the resolution adopted at the last year's Conference on the subject and said Mr. Ramunni had started his paper before the Committee had met and had supplied their needs by private enterprise. They owed him a debt of gratitude, and his journal ought to receive support from persons interested in the movement. The department subscribed to some copies and large Societies should do the same. It would be a long time before the review could be independent of local support. Suggestions and criticisms at this stage would be valuable.

Khán Bahádur Bomanji E. Modi of Surat said that the journal would be useful not only to persons concerned in the Co-operative movement but to the General Public.

Hon'ble Mr. Lallubhai Samaldas informed the Conference that the Registrar subscribed to only 30 copies of the journal and suggested the Government might give it additional help by subscribing to more copies.

Hon'ble Sir R. A. Lamb moved that the paper should be recorded with an expression of thanks and observed that Mr. Ramunni's journal was very well got up, interesting and full of information. It contained a voluminous record of Co-operative matters. He said that if the Registrar requested Government to subscribe to more copies of the journal, Government would consider the proposal carefully.

A.—CO-OPERATIVE HOUSING ASSOCIATION.

(Appendices VI & VII.)

The papers of Mr. K. N. Desai and Mr. S. S. Talmaki had been referred to a select committee which submitted the following resolutions :—

1. That the proportion of rent to income paid in growing towns by families of moderate means is unduly high and that it is urgently necessary to form Co-operative Housing Societies on the lines of the Co-partnership Societies in England in order to reduce as much as possible the cost of house accommodation.

2. That cheap capital is a first necessity for the working of such Societies in India and that the question of the granting of long term loans to such Societies by Government and public bodies is worthy of consideration.

3. That it is desirable to form a Co-operative Housing Association whose objects would be—

(a) to collect information about Co-operative Housing and to promote its application in practice ;

(b) to engage in propaganda work by distributing leaflets, by publishing cheap literature on the subject and by arranging for public meetings ;

(c) to organize Co-operative Housing Societies ;

(d) to supply advice and render help to such Societies as may be formed.

4. That a Committee be appointed to take steps to establish such an Association :—

B. W. KISSAN, *Chairman.*

P. V. RAMUNNI.

S. S. TALMAKI.

M. R. TARKUNDE.

V. M. HERLEKAR.

K. N. DESAI.

V. P. WAGLE.

N. M. JOSHI.

K. S. GORE.

Mr. B. W. Kissan, in introducing the report of the sub-committee, said :—

Sir, the resolutions of the Sub-Committee on Co-operative Housing are fairly long, and it is not necessary for me to say much by way of additional explanation of them. The Conference also is fortunate in having before it the able and exhaustive paper written by Mr. Talmaki, which I consider a valuable contribution to the literature of the subject.

It may be well to state again exactly what a Co-partnership Housing Society is. This is the form of Society which we have recommended as a model. In the first place, the object of such a Society is not to lend money to members to enable them to build houses for themselves. The houses built by the Society are not intended to belong to members individually but to the Society as a whole, *i. e.*, to the members jointly. No member can say of the house in which he lives "This house is mine". But all the members can say of the Society's houses "These houses are ours". Every member is really a tenant of the Society and pays a fair rent for his house. But the profits created by the rents thus received by the Society are not absorbed by any house-owner for his private benefit. They are distributed among the tenant members of the Society, firstly, in the form of a dividend on the shares, and then the surplus is distributed in the form of a bonus.

Also every tenant can feel that his monthly rent will never be arbitrarily raised, as is done by ordinary house-owners. On the other hand, the rent he pays is all the time contributing to a gradual extinction of the debt on the houses, so that eventually the property belongs to the Society free of any mortgage charge.

The Co-operative ideal is realized to a remarkably full extent in a Co-partnership Society. For instance, every member is interested in seeing that all the other members take proper care of their houses. The smaller the amount which has to be spent on repairs, the larger is the bonus which can be distributed among the members. But in much more important ways a feeling of solidarity is engendered. When an estate is being developed on co-partnership lines we have, not a mere chance assortment of individuals, but a home for the whole has to be thought of. You have something like a big joint family.

Sir, a reference has been made to the possibility of obtaining from Government and public bodies the indispensable cheap capital needed by these Societies. I have been examining in Bāndra the practical financial details of the working of a possible Co-partnership Housing Society and I now find that Mr. Talmaki has been doing the same thing in Bombay. We have both independently reached the conclusion that if the buildings are to be of a good sanitary character and of low rent cheaper capital is required than can be obtained in the open market. The Bombay Central Co-operative Bank cannot help, as it is unable to grant a loan for a longer period than 10 years. A 10 years' loan means that the sinking fund charges would be too heavy. Also the rate of interest charged by the Bank would probably be too great. The idea that Government should finance housing for the benefit of private individuals is, I know, a novel one in Bombay. But in suggesting that the point is worthy of consideration the Sub-Committee has had in view the provision of the English Housing and Town-Planning Act of 1909, under which the Public Works Loan Commissioners can lend money to a public utility society up to two-thirds of the value of the property of the society and the term of a loan may extend to 80 years. This provision is not entirely new, but is an extension of similar powers given to the Public Works Loan Commissioners by the Housing Acts of 1890. |

In conclusion, I should just like to say a word on the suggestion to form a new Association to preach co-operative housing. This was brought forward in the Sub-Committee in the view of the existence in London of a similar propagandist Society known as Co-partnership Tenants, Ltd. It is felt that this subject of co-operative housing must necessarily be primarily worked out in Bombay, where the housing question is most acute. The proposed Association would form a kind of body of Honorary Organizers in Bombay. The idea is that those in Bombay to whom the advantages of Co-partnership Societies have been brought home should band themselves together to spread the good news and get something done, both in Bombay and elsewhere.

Sir Vithaldas Thakersey supported the resolutions. In India the difficulty of establishing Housing Societies was greater than in England. He had experience of this as a scheme had been worked out for permanently renting houses; but the cost was very heavy. The Government had done well in undertaking the question of housing for Mill-hands. If funds permit, the question of housing middle class people ought to be taken up.

Mr. S. S. Talmaki in supporting the proposition expressed the opinion that the problem was a vast one and required serious consideration. He had tried to explain the stages of Co-operative housing in Europe from the humble beginnings of the Building Societies' movement to the highest ideal of town planning and garden cities. Co-partnership Societies were better than others. It was difficult to see how the scheme could be made workable. He pointed out the necessity of cheap capital to establish Housing Association on the lines adopted in Europe. He proposed a provisional Committee to begin with and the work done by them might be published in "Commerce and Co-operation" from time to time. The other matters referred to in his paper might be left in the hands of the Registrar.

The Registrar congratulated Mr. Talmaki on the very excellent and complete paper which he had placed before the conference. He proposed a provisional Committee of the following gentlemen:—

Sir Vithaldas D. Thakersey.

Honorable Mr. Lallubhai Samaldas.

Mr. S. S. Talmaki (Honorary Secretary).

Mr. N. M. Joshi, of the Servants of India Society.

Mr. P. V. Ramunni.

Mr. B. W. Kissan, I.C.S., with authority to co-opt one or two gentlemen who were expert in building matters either from the Improvement Trust or the Corporation.

Hon'ble Sir R. A. Lamb put the proposition to the vote and it was carried unanimously. In moving the resolution he observed that in doing so he was not in any way committing himself to approval of the scheme as Financial member of the Council.

VII CO-OPERATION AMONG THE MILL-HANDS.

(Appendix VIII.)

The Honorable Mr. Lallubhai Samaldas, the Chairman of the Committee to whom Mr. Devdhar's paper had been referred, in moving the resolutions to which the committee had unanimously agreed, said that he did not doubt that Co-operation should be attempted not only among the mill-hands but also among others similarly engaged in labour outside the mills. He added that Mr. Devdhar in his paper had made 18 definite suggestions which the committee had reduced to 7, and he hoped that Mr. Devdhar would not rise again to insist on all his original suggestions being included. Under the powers bestowed by the Conference they had also consulted Sir Vithaldas Thackersey and Mr. Purshotumdas Thakordas whose opinion they had considered valuable. Referring to the statistical information given by Mr. Devdhar, the Chairman thought it a very promising feature for the spread of co-operation that 45 per cent. of the mill-hands were total abstainers which fact he emphasised with great pleasure. The Chairman also mentioned that two societies had been already established, one in the Western India Mills started by Sir Vithaldas, and another at Tardev, both of which he thought had been working well and given immense relief to the members. And he hoped that if the Conference accepted the resolutions set forth by the committee, it would be possible to start a great many more societies in Bombay.

Mr. Malji, in seconding the proposition, observed:—"I have great pleasure in seconding the proposition moved by the Honorable Mr. Lallubhai. After the agriculturist the mill-hand requires our attention. As one connected with the organisation of the Broach mill employes' society, I have no hesitation in recommending the adoption of the proposition based on facts, so carefully collected by Mr. Devdhar."

Rao Sahab Shivmurti Swami Kanbargimath supported the proposition. He said that he had started a society at the Gokak mills and his experience pointed in the same direction. He thought that the fact that every month about 70 to 100 members were being enrolled and that last month Rs. 500 were collected and this month about Rs. 800 are expected, would be a sufficient illustration of the usefulness of such institutions. He added that deposits are received by the society from four annas.

The President then put the resolution for adoption which was accepted unopposed as follows:—

The Conference recognizes the necessity of spreading the principles of the co-operative movement among the employes of the mill industry and approves of the definite proposals made by Mr. Devdhar in his paper on this subject as amended and annexed herewith. The Conference trusts that the mill-owners and the advocates of co-operation in Bombay and elsewhere who have already expressed their approval of this scheme will form themselves into a Board to take the necessary steps to promote co-operation among this class.

Re CO-OPERATION AMONG MILL-HANDS.

Definite Proposals.

1. A mill should be selected in which will be found a large number of needy mill-hands who are sick of being indebted and some of whom are able to read and write.
2. Mill-owners be requested to organise about half a dozen lectures and lantern shows on the movement of co-operation, its progress in the West and in India, and its possibilities for the poor mill-hands. They should also explain the bye-laws and the working of such a society.
3. When a dozen mill-hands intelligently agree to form such a society, it should be started preferably for the employes of one mill.
4. Its affairs should be managed by a managing committee of its own members with certain limitations.

5. The society should not be considered a part of the mill machinery, but as its useful adjunct so as to secure the greatest educational effect.

6. Membership ought not to be made compulsory, but members should be attracted after careful selection by preaching, moral persuasion and example of their fellow-workers.

7. After successfully organising a co-operative credit society its next step may be a co-operative store, first to deal in a few articles, to be worked on the principles of the Rochdale pioneers. Profits should be converted into shares.

LALLUBHAI SAMALDAS (<i>Chairman</i>).	A. V. MALJI.
K. G. DESAI.	G. H. DESAI.
S. D. GARUD.	B. K. KURTKOTI.
G. K. DEVDHAR.	K. R. VALVEKAR.
L. V. TIKEKAR.	A. V. THAKUR.

LIMITATION OF LOANS TO SOCIETIES ACCORDING TO THEIR NEEDS INSTEAD OF THEIR ASSETS. VIII

(*Appendix IX.*)

Rao Bahadur K. G. Desai said:—

“My paper on the subject is already before you and I have nothing further to add. However, I wish to say that it is written as a note of warning against the improvident lending of money to societies. The points to be borne in mind in granting loans are:—

1st.—Whether there are sufficient assets;

2nd.—Whether the money is spent on useful purposes.

No doubt the bye-laws require the managing committee to look after the manner in which the money is spent, but once a man has obtained money he can evade scrutiny. It is therefore absolutely necessary that the lending societies should also ascertain actual requirements before a loan is advanced. The District Union should go into the question and ascertain the amount required by each member (1) for the annual expense of cultivation, (2) for occasional wants, such as digging wells, purchasing bullocks and improvement of lands, (3) for liquidation of old debts for a period extending over 10 years. Where there are no unions, this work may, I think, be entrusted to Honorary Organizers and thus we will be in a position to know their actual requirements and check improvident borrowing on the part of agriculturists.”

The Registrar said that the principle of the paper was one that would be accepted by all financiers. *Rao Bahadur Khandubhai* had, however, done a valuable service in insisting upon its importance.

The President then suggested that the paper should be recorded with thanks to *Rao Bahadur Desai*. The proposal was carried unanimously.

COMMON DEFECTS OF CO-OPERATIVE SOCIETIES. IX

(*Appendices X and XI.*)

Mr. Nanavati, Chairman of the sub-committee to which the papers of *Rao Saheb Deshmukh* and *Mr. Sane* had been referred, read the following resolution passed by the sub-committee:—

This sub-committee after due consideration of the two papers submitted on the defects of the working of co-operative societies recommends that, while proceeding cautiously in the organization of societies, the following measures may be adopted as far as possible:—

(a) Organization of Taluka Conferences.

(b) Formation of Taluka Unions for supervision.

(c) Appointment of Honorary Organizers for each taluka.

(d) Two or more audits in a year in case of weak societies.

M. B. NANAVATI (Chairman).	R. M. SANE.
S. J. DESHMUKH.	D. K. JADHAV.
J. P. LAKHIA.	G. J. PADHYE.
D. K. JADHAV.	B. B. VAIDYA.
K. R. DHULAP.	S. N. KESHWAIN.
R. N. MEHTA.	S. G. PAREGAONKER.
A. G. DANDEKAR.	D. R. JANI.
N. S. KOWSHIK.	K. N. BHANGAONKAR.
D. V. NAGARKATTE.	

He further said that he would not enter into details, but would like to suggest that the beginning was often not well made. The society could not manage its own affairs and the book-keeping was defective. Therefore great caution should be used in organizing societies. Most of the rural members could not know what was done in the Provincial Conference nor take part in the discussions. It was proposed that Taluka Conferences should be held in order that all who are interested in the movement may have an opportunity to add their voice to the deliberations and make suggestions. That would also bring societies into closer contact with each other.

Taluka Unions were proposed only for supervision. Intelligent members might be selected to form such unions.

It would be advantageous to have one Honorary Organizer for each taluka. That would give them more time to supervise and advise societies.

It was necessary that at least twice in a year Auditors should audit weak societies.

Mr. R. G. Naik seconded the proposal and further suggested that District Conferences should also be held before Taluka Conferences were started.

Mr. Herlekar differed slightly from the resolution if its wording implied that they were proceeding incautiously. The nature of the remedies suggested was like adding examination after examination to make a boy clever and he failed to see in the remedy suggested anything which would prevent the existence of those defects. He agreed with the resolutions in the main, but wished to point out that there were innumerable difficulties in the formation of a society and it was only after the society had worked for a sufficient time that its faults were known.

Sir Vithaldas Thackersey said that with regard to the "other defects" referred to on page 3 of Rao Saheb Deshmukh's paper he suggested that to remedy this difficulty and to avoid delay, the societies might open cash credit accounts and send notice of their needs in advance. By this means the societies would be able to get money with the least possible delay. When a cash credit was opened, it was not necessary that a society should draw the money, but it was a safeguard against the delay which under existing arrangements unavoidably occurred before money could be made available to a society. He was sure the Central Bank would willingly accept this arrangement.

Rao Saheb S. J. Deshmukh said that the resolution of the sub-committee, deserved the support of the Conference.

Mr. R. M. Sane doubted whether section 6, clause 1, of the Co-operative Societies Act made it compulsory that ten persons must unite to form a society. In a letter from the Government of India to the Government of Bombay, dated 9th March 1912, Circular No. 13-C., clause 3 (b), mention is made of the fact that a union of individuals and a registered society could take place with limited liability. He wished to know how to reconcile the section with the circular mentioned above. In a village the substantial people are afraid of undertaking the risk of unlimited liability and hence they were reluctant to join the society. If there were three or four savkars in a village who with limited liability could join an unlimited liability society, then the local capital would be forthcoming. The system of unlimited liability prevented the hidden wealth of the locality from being applicable to local needs and hindered the establishment of

confidence. To shut out a really serviceable element in a village was not advantageous and if by some device a union of savkars and unlimited liability societies could be brought about, it would be desirable.

The Registrar said that section 6 (1) was intended to facilitate the formation of unions. He understood Mr. Sane to suggest that 10 ryots might form themselves into an unlimited society and that this society might then be incorporated into a larger society in the same village with limited liability which should include the better class cultivators and savkars. He thought that savkars would find it safer and more profitable to deposit funds with an unlimited society than to take shares in a limited one.

Mr. Nanavati observed that Mr. Herlekar had taken objection to the word "cautiously" appearing in the resolution of the sub-committee. Only certain defects were pointed out and it was never intended to imply that Honorary Organizers were incautious. As regards the holding of District Conferences, it would be an advantage that all the members should have a chance to meet together and exchange views.

Mr. K. S. Gore hoped that he might point out that frequent audit is not essential to the improvement of a society. The efficiency of a society depended very much on the quality of the managing committee. A second audit would not be of great use and the time for making it could scarcely be spared by the staff.

The Registrar agreed with Mr. Gore, who was an experienced Auditor, that one audit in a year would suffice, provided that inspection was also made, and proposed that the resolution be amended accordingly.

Mr. Nanavati accepted the amendment to clause (d) of the resolution of the sub-committee.

The President, in moving that the resolution of the committee should be adopted, said that the Conference generally accepted its principles. It might be accepted with the amendment suggested by Mr. Ewbank in clause (d), which should run "one audit and one or more inspections should be made annually in the case of weak societies."

The resolution was unanimously adopted.

DESIRABILITY OF EXEMPTING DISTRICT BANKS FROM SECTION 5 (b) X OF ACT II OF 1912.

(Appendix XII.)

Mr. G. V. Joglekar, as Chairman of the sub-committee to which Sardar Rao Bahadur Motilal Chunilal's paper had been referred, presented to the Conference three resolutions passed by it.

Recommendations.

1. That this Conference is of opinion that the restriction placed on Government Officers under rule 9 of the Government Servants' Conduct Rules in regard to the purchase of shares of, and the placing of deposits with, the Bombay Central and the District Co-operative Banks and Unions be removed, but that they may not be permitted to work as members of the managing committee, if Government so desire.

2. That this Conference is of opinion that Government may be pleased to exercise their powers under section 46 of Act II of 1912 and authorise the District Co-operative Banks and Unions to sell shares to one individual up to a limit of Rs. 10,000.

3. That this Conference is of opinion that Government may be pleased to remind Government Officers of the instructions issued in Government Resolution No. 2302, dated the 11th March 1910, and to give practical effect to them.

S. V. KARANDIKAR.

V. L. MEHTA.

R. M. DESAI.

N. M. DESAI.

G. V. JOGLEKAR (*Chairman*).

MOTILAL CHUNILAL.

B. E. MODI.

V. S. NAIK.

G. K. CHITALE.

S. V. YATGIRI.

R. L. UDYAVAR.

He read section 5 (b) of the Act and said that Sardar Motilal had assured the committee of the difficulties felt in selling the shares of the Surat and Ahmedabad Urban Co-operative Societies owing to the restrictions placed by section 5 (b) of the Act. He expressed a hope that if the present limit of Rs. 1,000 were raised to Rs. 10,000, societies would grow immensely; with reference to paragraph 3 of the resolution he pointed out that according to Sardar Motilal the Government orders about the deposit of money in co-operative societies by Courts of Wards were not followed in Gujarat. With these remarks he left the subject to Sardar Motilal for further expression.

Sardar Rao Bahadur Motilal Chunilal said that his note was short but contained full grounds for the resolutions, and urged that they should be passed. He pointed out that societies were labouring under difficulties about raising capital to the fullest possible extent owing to the restriction of section 5 (b) of the Act, and added that if Government were pleased to help the societies by exempting them from the restriction, the required capital would be collected very easily. He remarked that there was no reason why the shares of co-operative societies should not be purchased as readily as those of ordinary companies. As regards paragraph 1 of the sub-committee's resolution he said that Government servants should not be precluded from purchasing shares of, or making deposits in, co-operative societies. All that was necessary was that they should not be members of the managing committees. As regards paragraph 3, he pointed out that in other Provinces the Courts of Wards were depositing their money in co-operative societies, but that these orders were not followed in Gujarat, and requested that the attention of the officers concerned should be called to the orders again.

Mr. W. W. Smart, Director of Agriculture, Bombay, pointed out that all Government officers were not prohibited from purchasing shares or making deposits, but only certain classes of officers, and read out the rules. He stated that if the limit fixed by section 5 were removed, it would also be necessary to withdraw the exemption which they enjoyed under section 21. He thought that Government ought not to be asked to increase the limit beyond Rs. 3,000.

Mr. K. R. Walvekar remarked that if the exemption were granted, unscrupulous persons would take advantage and it would be used fraudulently and further that if a member were allowed to purchase a large number of shares, he would obtain excessive power and carry on the business at his own will.

Mr. G. K. Devdhar said that if the limit were raised to Rs. 10,000, a few persons would purchase all or a large number of shares and the object of the section would be frustrated. He concurred in the limit suggested by the Director of Agriculture, and said that it should be Rs. 3,000 or one-fifth of the total capital.

The Honorable Mr. Lallubhai Samaldas pointed out, with reference to Sardar Motilal's remark in his printed note, that the shares of the Bombay Central Bank were taken up on account of a Government guarantee of 4 per cent. interest, that this was incorrect, and said that there was no such guarantee as regards shares, but as regards debentures only.

Mr. R. G. Naik expressed his concurrence with Mr. Devdhar.

Mr. W. W. Smart, Director of Agriculture, made further reference to the Government Servants' Conduct Rules and said that Mamlatdars were not permitted to purchase shares or make deposits in co-operative societies.

Sardar Motilal admitted the error pointed out by the Honorable Mr. Lallubhai and requested that that portion of his note which referred to the guarantee of 4 per cent. interest should be considered as omitted.

Mr. G. V. Foglekar withdrew paragraphs 1 and 3 of the sub-committee's resolutions and consented to the fixing of the limit at Rs. 3,000 in paragraph 2.

The President (the Honorable Sir R. Lamb) said that as the sub-committee was willing to withdraw paragraphs 1 and 3 of their resolution and also agreed

to amend the limit to Rs. 3,000, he would suggest the following resolution for adoption:—

“That this Conference is of opinion that Government may be moved under section 45 of the Act to authorize members of limited societies to purchase shares up to Rs. 3,000.”

To this resolution objections were invited and as none were received the resolution was passed unanimously.

CO-OPERATIVE SOCIETIES AND VILLAGE SANITATION. XI

(Appendices XIII and XIV.)

The Honorable Rao Bahadur Rodda read the resolutions passed by the sub-committee, to which the papers of Mr. Naik and himself had been referred, which were as follows:—

Resolutions.

1. That the improvement of village sanitation should be made one of the objects of Rural Co-operative Credit Societies *at their option* in order to enable the societies to undertake the work of village sanitation and to devote a part of their profits for sanitary purposes in conformity with the principles laid down in section 34 of the Act, No. II of 1912.

2. That the sub-committee is strongly of opinion that in order that the village sanitation should be thorough and efficient the powers contemplated in section 16 of the Village Police Act should be delegated to the managing committee of such co-operative societies as are in the opinion of the Collector and the Registrar competent enough to exercise the powers vested in the Police Patil under the section. The Act should be amended in accordance with the spirit of the recommendation.

3. That the sub-committee recommend that the co-operative societies be recognized as proper channels for the diffusion of sanitary knowledge among the masses and also for supplying the rural population with prophylactics which Government in their opinion consider it desirable to introduce in villages.

4. That the sub-committee has fully considered the question of the supply of pure milk for the use of big villages and is of opinion that efforts should be encouraged to start societies for the supply of sanitary milk and other food-stuffs.

S. K. RODDA (*Chairman*).

V. H. GONEHALLI.

CHIMANLAL HARDERAM.

R. R. DIVEKAR.

M. S. KULKARNI.

SHIVAMURTI SWAMI KANABARGI-MATH.

R. G. NAIK.

K. B. BHADRAPUR.

V. A. DESAI.

V. S. JOG.

Y. N. PALSIKAR.

G. P. SULAKHE.

He remarked that the co-operative societies were meant not only for the advancement of loans but also to improve village sanitation, etc., and that to spend money on sanitation was to spend it on charitable purposes. The case was covered by section 34 of Act II of 1912. Section 16 of the Village Police Act enforcing sanitation on the villages was a dead letter and nothing had been done to make it effective.

Rao Saheb Shivmurti Kanbargimath distributed a printed speech (*Appendix XV*) which he had brought and explained how Mr. Kurtkoti, Mamlatdar of Gokak, had introduced village sanitation in his taluka and how Mr. Brown, the Collector of Belgaum, had issued orders to the Mamlatdars and Mahalkaris to follow that example. Mr. Balkundi's action in Gadag and Kod talukas had resulted in inducing the people to supply voluntary labour for improving village sanitation.

Mr. Garud opposed the resolutions passed by the sub-committee. He said that the object in passing the resolutions was good. But that the societies were primarily intended to secure the economic advantages to the members. The advantages to be derived by passing these resolutions were not tangible and unless the members were convinced of them they would hesitate to accept these.

ideas. It would be premature for societies to undertake such duties at this stage. The village societies were not the proper channels for diffusing knowledge of sanitation to the villages; and if too much work were entrusted to the societies, their very object would be frustrated.

The President regretted that he was called away by another engagement. He said that he concurred with his friend Mr. Garud that it would be premature to pass such resolutions at this stage. The bill for establishing village punchayats was likely to come before Government and the question would then be considered. At present societies ought not to be overburdened with functions which did not closely concern them.

After a vote of thanks had been moved to the Honorable Sir Richard Lamb by Mr. K. R. Walvekar, he vacated the chair which was taken by the Honorable Mr. Prabhashankar Pattani, C.I.E.

Mr. R. G. Naik said that the Act of 1904 was only meant to promote economic good, but Act II of 1912 was intended to promote moral and social as well as economic good. There appeared therefore no reason why such a necessary measure as village sanitation should not be insisted upon. There was in the beginning no pecuniary question and no responsibility devolved on the members; but his recommendation was that members should undertake to perform the common functions aiming at the common good. Wherever efforts had been made, they had obtained visible results with no great expenditure or responsibility. His own efforts both as Honorary Organizer and as the Secretary of the District Sanitary Association had resulted in the inoculation of 300 members in one village, in removing dunghills and repairing streets and houses with very little persuasion. If such results could be obtained without the help of co-operative societies, he was quite sure that more could be done with their help. He therefore recommended that the resolutions should be passed without change.

Mr. Bhadrapur rose in support of the resolutions and quoted the example of the Hulkoti Society which had taken no action though it held ample funds and resources, and was six years old. The societies could undertake such simple reforms as village sanitation. No doubt the economic ends of co-operative societies were important, but he did not want all societies to undertake all functions at once. Successful societies like Hulkoti with sufficient funds might easily try to improve village sanitation. It would be advisable for the stronger societies to undertake social, moral and sanitary functions instead of confining themselves strictly to economic ends.

Mr. Chimanlal Harderâm supported the resolutions and pointed out that it left the work of village sanitation optional for societies. He suggested that the Registrar might add a bylaw on village sanitation to the model bylaws of societies, leaving its enforcement to the society's choice.

The Honorable Mr. Lallubhai Samaldas suggested the omission of resolution No. 2 on the grounds that committees were not fit to exercise police powers.

Mr. M. S. Kulkarni said that in his experience it was difficult to start dairies and institute sanitary milk arrangements in villages and he differed from Mr. Gonehalli, who had said in the sub-committee that he found it easy. He therefore requested the latter to lay his views before the Conference.

Mr. Gonehalli opposed Mr. Garud and recommended that the first two resolutions might be dropped. As regards the third, Government might be requested to give orders to the Sanitary Commissioner to issue leaflets on sanitation for distribution to societies. If postmen were able to distribute quinine, it was not understood why co-operative societies should be unable to do the same. As regards resolution No. 4, he said that he had already undertaken to organise a dairy. Similar efforts had been made with great success in Europe and all the world over. Mr. Garud must have therefore misunderstood the object of the resolutions in thinking they implied any very difficult and intricate task to be imposed on the societies.

Mr. S. S. Talmaki proposed that the first three resolutions might be omitted as the Conference was overburdening the societies with functions which, though

good, were too numerous and not strictly cognate to their objects. The modest resolution No. 4 might be accepted.

Mr. G. K. Devdhar suggested that resolution No. 2 might be omitted, and that resolution No. 1 might be modified so as to include other subsidiary duties besides sanitation.

The Honorable Rao Bahadur Rodda agreed that resolution No. 2 might be omitted as the Village Panchayat Bill was coming before Government. Resolution No. 1 deserved support as the societies themselves would undertake the function at their own option. Nos. 3 and 4 might also be accepted as they were. He accepted the amendment of "subsidiary purposes" for "sanitary purposes" in resolution No. 1 as suggested by Mr. Devdhar.

The Registrar observed that resolution No. 1 as so amended was very general and was not strictly relevant to the subject under discussion.

The Honorable Rao Bahadur Rodda then declared that he withdrew resolutions Nos. 1 and 2.

The Honorable the President said that he understood that there were two proposals: first that of Mr. Garud objecting to the resolutions *in toto*, and, secondly, that of Mr. Gonehalli, which had been accepted by the Honorable Rao Bahadur Rodda, adopting Resolutions 3 and 4 with the omissions of the words "and other food-stuffs" in resolution No. 4.

Mr. Garud explained that he had proposed no amendment and was ready to accept resolutions 3 and 4.

The Honorable the President declared resolutions 3 and 4 carried and expressed his gratification that it had been possible to reconcile the conflicting views of the speakers and to adopt these two resolutions unanimously.

GROWTH OF RURAL CO-OPERATION IN THE DECCAN AND ITS FUTURE GOAL. XII

(Appendix XVI.)

Mr. G. K. Chitale said that he did not want the Conference to pass any resolution on the subject of his paper. His only object was to refer to uneconomic holdings and find some means of dealing with them. The fact that village societies have a number of uneconomic holders as members affected its credit and it was not advisable to admit non-economic holders in the membership of societies. He believed that the question of economic holdings was important and that an official investigation was necessary. He knew that Government officers refused tagai to non-economic holders and it was therefore necessary that the Directors of the Central Co-operative Bank, Honorary Organizers and the Officers of the Co-operative Department should take the fact into their consideration before dealing with loan applications from such members and societies. He thought it advisable to appoint a special committee to consider the points raised in his paper and to make definite recommendations at the next Conference. The members of the committee proposed were Dr. Mann, the Director of Agriculture, Mr. G. K. Devdhar, Mr. G. V. Joglekar, Mr. G. K. Chitale and the Honorable Mr. Lallubhai Samaldas.

The Honorable the President then suggested that this question might be deferred until after the revision of the Dekkhan Agriculturists' Relief Act had been considered in the Legislative Council and that the paper might be placed before the next Conference for further consideration and that no committee was at present necessary.

The Conference unanimously adopted the suggestion.

MISCELLANEOUS QUESTIONS. XIII

Mr. G. K. Chitale raised a question with reference to what Sir Vithaldas had already said on the subject of credit. Many societies were backward and could not accurately estimate their requirements. They often did not get loans at the proper season. He did not wish either to blame the Central Bank or the

machinery through which such loans were obtained. To avoid delay and trouble he pointed out that an additional column might be added in the list of societies already published in the *Bombay Government Gazette*, showing the credit to which each would properly be entitled after valuation of its assets.

The Registrar strongly opposed Mr. Chitale's proposal and asked on what basis the credit of each society would be fixed as the land in the possession of members changed from time to time. The number of members increased or fell and there were other fluctuating elements. It was essential that every valuation should be made at the time when the loan was demanded and every case judged on its merits.

Sir Vithaldas Thackersey remarked that he was sorry that Mr. Chitale had misunderstood his suggestion. He had never said that the limit of credit should be ascertained for all the societies by a valuation. He said that if societies reported their requirements in advance and applied to the Registrar three or four months before the money was actually required they would get the amount at the proper time. Delay and trouble could be avoided.

Mr. G. K. Chitale then rose and said that he was sorry that he misunderstood *Sir Vithaldas*. What he wanted was that societies should get loans at the proper time and he did not mind by what process this could be secured.

Khan Bahadur Bamanji Modi said that *Sir Vithaldas* had made it clear that to avoid delay societies should apply in advance. He added that the District Banks made their own arrangements and were able to make advances at short notice.

Mr. G. K. Chitale stated that he did not propose to move any resolution.

The Registrar undertook to issue a vernacular circular to societies reminding them of the value of reporting their needs in advance.

The Honorable Mr. Lallubhai Samaldas proposed a vote of thanks to the Chairman who had conducted the proceedings with great tact and ability. He also thanked the Registrar and the officers of the Co-operative Department for their work during the past year.

Sir Vithaldas Thackersey seconded the vote of thanks which was also supported by *Sardar Rao Bahadur Motilal Chunilal*.

After *the Registrar* had briefly responded on behalf of his Department *the Honorable the President* said that he felt that he ought scarcely to be thanked as he had been a silent observer for the greater part of the proceedings. He had had great pleasure in presiding at the Conference which he now declared to be closed.

APPENDIX I.

*Resolutions passed by the Co-operative Conference, Northern Division,
on the 12th February 1913.*

1. This Conference is of opinion that the attention of the rural co-operative societies should be drawn to bylaw 38, and that they should encourage the members to make greater use of the bylaw than is done at present by opening savings book accounts for them under the home-safe system and that those societies who have not provided themselves with the pass books for members should do so as a lesson in thrift.

2. This Conference is of opinion that sub-committees for the purchase and sale of seed may be appointed by some Rural Societies for the benefit of the members as a part of their business.

3. This Conference is of opinion that it is advisable that a group of societies where conveniently situated should employ a full-time Secretary to do the work of the societies forming that group.

N.B.—The opinion of the Conference was about equally divided for and against the proposal and no other proposal was made.

4. This Conference is of opinion that if any society would under favourable circumstances adopt the suggestion to purchase and supply agricultural implements co-operatively, it would be creditable to it.

5. This Conference after hearing the remarks of members of limited liability societies is of opinion that some difficulty is experienced owing to the maximum share limit of Rs. 1,000 prescribed for individual members under section 5 (b) of the Act.

6. This Conference is of opinion that it would be an advantage if societies furnished a quarterly abstract of their receipts and payments to the Auditor.

7. This Conference is pleased to learn that an attempt is being made to start two Unions to supervise and finance societies forming the Union and recommends that Government should assist such Unions by contributions towards working expenses.

*Resolutions passed by the Co-operative Conference of the Central Division held
at Ahmednagar on the 25th March 1913.*

1. The Conference is of opinion that for the purposes of mutual help and supervision of societies, Unions, if formed in localities where societies already registered number 10 or more, would be of great use.

2. The Conference recommends that wherever possible people should be induced to make small savings: that small savings boxes should be distributed: and that in order to attract local capital it is desirable that the management of a society should command confidence.

3. Where capital and membership of societies is small, seed stores should be worked as branches of the credit society. In the case of large societies they had better be worked as independent societies.

4. The Conference is of opinion that the Central Bank should lend to other societies at 6 per cent. at most in the initial stage of their growth.

5. The Conference thinks that the measures for improving the hand-loom industry have been hitherto attended with good results, and that Government should continue these measures in future.

6. It is agreed that societies should gradually use a part of their capital towards liquidating old debts.

7. Share societies may raise loans up to a limit of 10 times their subscribed capital plus the reserve fund.

8. Quarterly returns to the Auditors showing receipts and payments will be advantageous.

9. The limit of withdrawal from Post Office Savings Banks, *viz.*, Rs. 1,000 in a month, is inadequate. As steps are being taken already by the Registrar to enhance this limit in the case of Co-operative Societies, no resolution need be adopted.

APPENDIX II.*Education as the first Condition of Co-operation.*

GENTLEMEN,

So much has been written and spoken about education in general in India in recent years that I need hardly add anything to convince this Conference of the advantages of

education to the masses. So, in this paper I shall confine myself to that aspect of education which has a bearing on co-operation. All those who have had any experience in the promotion, management and supervision of Co-operative Societies in this Presidency will agree that their work would be enormously simplified and that the progress would be more rapid and satisfactory if there was less illiteracy amongst our agriculturists. During the last two or three years, I have visited many villages in the Baramati, Satara, Wai and Poona divisions; I have had the expert and enthusiastic assistance of the Hon'ble Mr. Lallubhai Samaldas and Mr. Devdhar in the work. We found that it was necessary to visit many villages at least three or four times before any impression could be produced on the villagers, and when such impression was produced, they expressed their willingness to form Co-operative Societies. But when some influence was brought to bear on them subsequently by the savkars of the villages, our whole work was undone. All sorts of arguments were used by the latter, the principal one being that Bombay people were coming to their villages to lend money and buy over all their lands. Otherwise, why should they, when they have such investments on their own side, come over such a long distance to the villages, pay so many visits and take so much trouble and offer so much inducement to the villagers to take money? Some villagers do believe such statements, being ignorant and illiterate. If they were only literate, it would be possible to place in their hands the literature on co-operation informing them as to what has been done elsewhere in India and other countries and what advantages the people have obtained through Co-operative Credit Societies. But at present, we can only approach them by word of mouth and we can hardly expect this to be a satisfactory method of rapid progress. Even where societies have been formed amongst illiterate agriculturists the difficulties of good management are great. The working committee being illiterate, the whole responsibility falls upon the Secretary or one or two members of the society; and though such societies may work for a time, there is always the danger of mismanagement either through ignorance or through selfishness or through dishonesty. In order to know the present position of Co-operative Credit Societies in regard to the subject a good deal of information has been collected by the Bombay Central Co-operative Bank. Interrogatories were sent to all Co-operative Societies in this Presidency to whom the Bank had lent money and replies have been received from many. We are thankful to the Honorary Organizers and the Special Mamlatdars who have helped us in collecting the information. The details are very interesting and will be available to those who want to make a careful study of them; but in order to save the time of this Conference I shall only give the following summary which will give a clear idea of the present position.

In the area served by the Nira Valley Canal, which is a very rich district, where sugarcane is largely grown, we have 29 societies with 2,383 members of whom only 430 are literate, *i.e.*, 18 per cent. There are 260 members of managing committees of whom only 125 are literate, giving a percentage of 48. Bad as this position is, this total does not convey an adequate idea of the position of some of the societies in respect of literacy. In three societies, there is only one literate member in each of the managing committees consisting of from 9 to 11 members. In five of them there are two literate members in each committee of from 7 to 9 members; and in six societies there are three literate members in each committee of 7 to 9 members. This shows that 14 societies out of 29 are in a position which is far from satisfactory. Similar conditions exist in the Wai and Satara divisions; but in Gujarat (Northern Division) and the Southern Division the position is very much better, in so far at least as the majority of the members of the managing committee are literate, although the percentage of literate members of the societies is low.

The question is what is the best method of remedying the evil? We have often discussed the subject in this Conference and various methods have been suggested, such as the employment of the village schoolmasters as Secretaries, or of a paid Secretary for a number of societies situated at reasonable distances from each other; as also that of supervising unions not simply for auditing but to help in such details as the keeping of accounts and the proper checking of the transactions made. Then, again, we have followed the practice, as in the case of the Nira Canal Societies, of the employment of well-paid Secretaries, not necessarily members of the society, and the employment of a special Mamlatdar to supervise their work. In Wai Taluka four societies were formed in the Krishna Valley at my instance and the work has been entrusted to a medical man at Mahableshwar, because the members are illiterate. Now, all these methods, though necessary at present, only treat the symptoms without touching the disease. We may father the societies in the early stages, but the question that we have to consider is how long are we to father them? It seems to me that we shall have to do so for many, many years unless we take steps from now to make the societies independent of such outside help.

Education is the chief remedy and it is the duty of everyone of us, who has the interest of co-operation at heart, to advance it amongst the illiterate classes. Government have in recent years been doing a great deal in promoting primary education by the opening of new schools, but unless compulsory education is introduced, the progress must necessarily be slow. The question to my mind is whether we can by any means accelerate that progress. The action that I should like to suggest is that the Central Bank

and the District Banks as well as the sympathisers who lend money to the Co-operative Societies should as far as possible insist on the members of the Co-operative Societies sending their children of school-going age to schools, and should give them to understand that either a higher rate of interest will be charged or such help will be withdrawn in extreme cases of neglect to educate their children. This is a very important and a large question, and before the Bombay Central Bank takes such action, I should like to get the opinion of the members of this Conference who have great practical experience in the districts. If a school does not exist in a village and if we can show to the Educational Department that there are a sufficient number of children in the village who would attend a school, I do not expect any difficulty in the way of the Educational Department opening a school in that village. I admit that it is a kind of compulsion, but it is a compulsion entirely for the good of the agriculturists and they must either choose between sending their children to school and thus prepare themselves within the next ten years to successfully manage their own societies, or be without our financial help. I am sure they would prefer the first course and thus at least after ten years relieve us of the responsibility of managing their affairs as we have at present been doing in many societies. As soon as the younger generation turns out literate and shows signs of literacy with a necessary consequence of better management, the credit will be enormously increased and can attract local capital at a very favourable rate. The Central Bank will no doubt be prepared to give them further help whenever necessary.

Thus far I have confined myself entirely to pointing out the advantages which will accrue to the working of the Co-operative Societies as a consequence of the extension of literacy among the members of the societies. I have done so because the primary object of this Conference is to devise measures for the wider diffusion of the principle of co-operative credit, which entirely depends on the efficient working of the existing societies. We have to look not only to the interests of to-day but to the interests of the future. The system of Co-operative Credit Societies in this Presidency cannot be said to have taken deep root in the soil so long as our societies require to be dry-nursed by outside agencies. The object which I have in view in putting forward this scheme is to hasten the day when our societies will be able to stand on their own feet. No doubt, the sending of children to school involves some amount of trouble and, in the case of the working classes, some amount also of sacrifice. But having regard to the advantage which a man, who has had the benefit of some amount of education in his younger days, has always over his illiterate brother in the struggle for life in these days, I am sure that the members of the several societies will cheerfully agree to undergo the trouble and sacrifice on behalf of their children. The benefits to be derived from the greater spread of literacy among the masses will extend far beyond the working of the Co-operative Societies with which we are immediately concerned. It will raise the whole tone of the social and moral life of the rural communities, inspire them with higher ideas of cleanliness and sanitation, and stimulate in them a spirit of enquiry and enterprise. The effect of the scheme, if it succeeds, will be to bring about a silent but far-reaching and beneficent revolution in the entire range of the intellectual and economic outlook of the rural population. I have, therefore, much pleasure in commending it to the acceptance of this Conference in the hope that it will accord it a cordial reception.

VITHALDAS D. THACKERSEY, KT.

APPENDIX III.

Statement of Educational Census of Nira Valley Societies.

No.	Name of the society.	Number of members.	Number of literate members.	Number of Committee Members,		Number of school-going children of members.	Those attending school.	Have you got a school in your village ?	If not how far from your village ?	What is the cause of illiteracy ?	Do you undertake to send your children to a school if opened ?	Remarks.
				Total.	Literate.							
1	Baramati ...	120	46	7	7	65	65	Yes ; both Marathi and English.	.....	.....	.....
2	Malegaon Budruk.	172	72	11	11	125	100	Yes ...	.....	.....	.....
3	Khandaj ...	58	13	10	9	22	...	No ...	1 mile from the village ; road very bad.	Want of school facilities.	Yes ; the village will supply 25 to 30 students.	
4	Nira Wagaj ...	80	14	9	6	27	11	Yes, private...	.....	.....	Yes ...	Attendance in the school not regular. Fees charged from Re. 1 to annas 4.
5	Medaj ...	83	2	7	2	50	...	No ...	3 miles, 1 brooklet of water in the way.	Want of school and poverty.	Yes, as far as possible.	Will provide 25 students. At present some 6 students go to Baramati. They cannot do so in monsoon.
6	Karanja ...	126	26	9	2	55	27	Yes ...	.....	.....	.....
7	Nimbut ...	63	11	7	2	25	4	No ...	5 miles at Karanja.	Poverty ...	Yes, as far as possible.	
8	Murum ...	65	10	7	3	30	22	Yes ...	.....	.....	.....
9	Hole ...	90	15	9	5	35	10	No ...	2 miles at Vadagaon.	Want of school and poverty.	Yes, as far as possible.	
10	Korhala Budruk ...	75	12	9	5	36	20	Yes ...	.....	.....	.....
11	Late ...	65	6	9	1	25	10	Yes, a private school in a field.	.....	.....	Yes ...	Monthly fee charged for every student is 6 annas. One lame man of the village has undertaken this work since last few months.
12	Pandara No. 1 ...	83	24	9	6	45	35	Yes ...	.....	.....	.....
13	" No. 2 ...	80	16	9	7	37	17	" ...	.....	.....	.....

No.	Name of the society.	Number of members.	Number of literate members.	Number of Committee Members.		Number of school-going children of members.	Those attending school.	Have you got a school in your village?	If not how far from your village?	What is the cause of illiteracy?	Do you undertake to send your children to a school if opened?	Remarks.	
				Total.	Literate								
14	Shirashne ...	48	14	9	5	16	10	Yes	...	.....	.....
15	Kambaleshwar ...	53	16	9	8	20	13	"	...	.....	.....
16	Sangavi ...	97	14	9	3	38	22	"	...	.....	.....
17	Shiravali ...	35	8	9	4	19	7	"	...	.....	.....
18	Gunavadi ...	70	11	16	6	30	11	"	...	.....	.....
19	Malad Baramati ...	58	9	9	5	33	20	No	...	1/4 mile, at Bara-mati.	Want of school and poverty.	Yes.	
20	Mekhali ...	112	15	9	3	37	15	Yes, a private grant-in-aid school.	.....	.....	"
21	Sonagaon ...	98	12	9	3	40	15	No	...	5 miles from the village.	Want of school and poverty.	"	
22	Zaragad Wadi ...	60	4	7	2	25	...	"	...	1 mile from the village.	Do. ...	"	
23	Dorlyachi Wadi ...	70	21	7	3	31	13	Yes	...	.....	.....
24	Udhat ...	132	11	11	6	66	40	"	...	.....	.....
25	Dhekla Wadi ...	70	6	9	2	40	3	No	...	12 miles, at Phaltan.	Want of school and poverty.	Yes.	
26	Pimpali ...	51	4	7	3	15	...	"	...	3 miles, at Bara-mati.	Do. ...	"	Students being very few, is not possible to maintain a school.
27	Jalochi ...	56	1	11	1	20	...	"	...	2 miles, at Bara-mati.	Do. ...	"	The village is very small.
28	Katyachi Wadi ...	100	4	11	1	16	5	Yes	...	.....	.....
29	Sansar ...	113	13	11	4	13	13	"	...	.....	.....
	Total ...	2,383	430	260	125	1,036	508						
		18% literate.		48% literate.		49% attend school							

Sātāra Societies.

No.	Name of Society.	Total number of members.	Number of members who are literate.	Number of members of managing committee.	Number of members of managing committee literate.	Total number of members' children.	Number attending a school.	Remarks.
1	Peth ...	73	35	9	9	32	18	There is a good school here.
2	Dabewadi...	20	1	7	...	13	3	No school in the vilfage. Society new.
3	Nandwal ...	20	6	7	2	11	8	There is a school here.
4	Mol ...	31	10	7	6	20	19	Do.
5	Apsinge (M)	47	12	7	5	16	16	Do.
6	Parle Banode	16	6	7	4	4	2	No school here ; Society new.
7	Kese ...	11	4	7	3	3	2	There is a school here.
8	Kapuskhed	53	4	7	4	30	9	Do.
9	Sarkalwady	26	2	7	1	12	1	No school here ; Society new.
10	Yeloor ...	96	45	9	9	101	41	There is a good school here.
11	Borgaon ...	15	3	7	3	10	1	There is a school here.
12	Dhawli ...	59	14	9	7	17	14	Do.
13	Devrasta Sagreshwar...	58	19	8	7	30	14	There is a good school here.
14	Devrasta Dhongaon ...	26	5	4	2	12	3	Do.
15	Kasegaon	56	13	7	7	12	12	Do.
16	Shene ...	23	1	7	1	5	...	No school ; Kasegaon school $\frac{1}{2}$ a mile.
17	Shendugane	12	3	3	3	...	...	Kulkarni ; pay Rs. 2. Christian school.
18	Waluth Ranjani	70	10	...	...	32	7	Indifference ; school in one of the two vilfages. Want of school facilities in Ranjani.
		712	193	119	73	360	170	
			27%		61%		47%	

Surat Societies.

No.	Name.	Number of members.	Number of members literate.	Members of Managing committee literate.	Number of members' children of school-going age.	Number of children attending school.	Secretary and his pay.	School, if any, if not how far.	Cause of illiteracy, if any.	Need for educational facilities.
1	Andhi ...	13	6	All.	6	5	Talati, pay Rs. 2-8-0.	No, there is one at Mahomedpur, a mile distant.	Want of school.	Members prepared to educate children if facilities provided.
2	Asnabad Group ...	32	24	All.	9	4	Village teacher, pay Rs. 42 per year.	No, there is one a mile distant.	Do. ...	If school started, a village can provide 32 children.
3	Rander ...	112	91	...	50	All.	<i>Bona fide</i> member, pay Rs. 84 per year.	Yes, more than one...	Bad circumstances.	.....
4	Gothan ...	39	36	...	18	...	Do. pay $\frac{1}{4}$ th of profit.	Yes, an English school is required.	.....	.....
5	Umra ...	73	59	...	33	All.	Do. ...	Yes ...	No, indifference.	.....
6	Hathisa ...	27	...	...	...	7	Talati ...	No, one mile distant in Olpád.	.....	.....
7	Ichhapur ...	111	60	All.	50	40	<i>Bona fide</i> member, pay $\frac{1}{4}$ th of profits.	Yes ...	Poverty ..	.....
8	Tukwada ...	51	46	...	36	36	Talati, pay $\frac{1}{4}$ th of profits up to Rs. 25.	Yes ...	.....	.....
9	Kudsad ...	34	28	...	16	9	<i>Bona fide</i> member, $\frac{1}{4}$ th of profit.	Yes ...	Indifference ...	.....

DECCAN SOCIETIES.

Abstract of replies received from Co-operative Credit Societies in reply to the Bank's questions regarding education.

No.	Name of Society.	Number of members.	Number of members who are literate.	Number of members of Managing Committee.	Number of members of Managing Committee who are literate.	Number of members' children.	Number of children who are literate.	Secretary and his pay.	School in the village. If not, how far.	Cause of Illiteracy.	Need for educational facilities.	Remarks.
1	Kharepatan (Ratnagiri).	16	10	...	All ...	9	5	<i>Bona fide</i> honorary member, Rs. 3.	Yes ...	No apathy. Poverty ...	...
2	Malvan Chambhars (Ratnagiri).	18	9	...	4	15	11	<i>Bona fide</i> member ...	Yes. Need for a school specially for depressed classes.	.....	...
3	Malvan Dandi (Ratnagiri).	15	10	...	6	7	6	Rs. 36 per year ...	Yes. Very near ...	.....	...
4	Savedi (Nagar) ...	258	27	...	5	189	53	Rs. 2-8-0 ...	No one. 1½ miles away	Members anxious for education.	...	
5	Miri (") ...	168	30	...	5	120	77	Rs. 2-8-8 ...	Yes ...	People indifferent ...	Need for a girls' school.	
6	Puntamba (") ...	182	30	...	4	62	28	Honorary ...	Yes ...	<i>Nil.</i>	Need for a school in adjoining villages.	
7	Kendal (") ...	93	10	...	All except one.	50	3	Village teacher, Rs. 1-8-0 plus ¼th of profits.	Only 1 mission school ...	Partly owing to want of proper school facilities and partly to apathy.	...	
8	Dahivali Kondavli (Kolaba).	15	4	...	4	25	2	Re. 1 ...	No. Two miles away ...	Want of school facilities...	...	
9	Karanji (Nagar) ...	130	26	...	6	50	...	<i>Nil.</i>	Yes ...	<i>Nil.</i>	...	
10	Warje (Poona) ...	20	1	...	1	6	<i>Nil.</i>	<i>Bona fide</i> member, Rs. 30 per year.	No ...	<i>Nil.</i>	...	
11	Vincent Mohol (Sholapur).	258	80	8	7	160	50	Honorary ...	Yes. Boys', girls' and mission schools.	<i>Nil.</i>	No school in 3 villages comprising the locality.	
12	Dr. Mann Kurul (Sholapur).	118	26	9	4	76	12	<i>Bona fide</i> member (honorary).	Yes. Two ...	Poverty, apathy and want of school in a few villages.	Schools for girls and the depressed classes.	
13	Tadval (Sholapur) ...	127	71	...	7	No reply.	...	Rs. 12 per year ...	Two furlongs away ...	...	...
14	Kari (") ...	77	25	...	5	...	All but three or four.	Honorary ...	Yes ...	...	...
15	Kankavli (Ratnagiri) ...	98	23	7	5	67 boys and girls (45 plus 22).	Boys and girls, 35 + 3 = 38	<i>Bona fide</i> Assistant Secretary, pay Rs. 1-8-0.	Yes, in all the villages ...	Heavy fees ...	...

No.	Name of Society.	Number of members.	Number of members who are literate.	Number of members of Managing Committee.	Number of members of Managing Committee who are literate.	Number of members' children.	Number of children who are literate.	Secretary and his pay.	School in the village. If not, how far.	Cause of Illiteracy.	Need for educational facilities.	Remarks.
16	Kandalwady (Satara) ...	22	Nil.	No reply.	Nil.	10	4	Kulkarni (honorary) ...	Yes and one at Yelur ...	Bad circumstances ...	...
17	Natawad (Khandesh W.).	20	8	8	7	13	13	Paid Secretary, Re. 1 per month.	There is a school ...	Members careful about education.	...	
18	Matyapur (Satara) ...	10	Nil.	5	Nil.	4	Nil.	<i>Bond fide</i> member (honorary).	No school. There is one a mile away.	Members being Mahars don't see any need for education.	...	
19	Daregaon (Nasik) ...	75	15	5	3	27	11	<i>Bond fide</i> member ...	School in 6 out of 25 villages contained in this locality.	Want of facilities in some villages.	...	Poverty, but very little apathy.
						24-3	8-3					
20	Malegaon (") ..	44	28	7	6	...	...	Do. ...	There are 12 schools ...	Poverty of agriculturists ...	...
21	Kupkhede (") ...	91	41	7	7	70	38	Kulkarni, Rs. 5 per month.	Of 13 villages comprising the group only 3 have a school.	Want of school facilities in some villages.	...	
22	Chandanpuri (") ...	35	2	5	2	15	2	<i>Bond fide</i> member (honorary).	No school in the village. One two miles away.	Want of facilities ...	...
23	Jalgaon (") ...	40	3	5	2	32	20	Kulkarni, Paid Secretary, Rs. 2 per month plus bonus up to Rs. 30.	Private school conducted by the village teacher. No Government school.	Indifference ...	...	Children are engaged in agricultural work.
24	Nitane (") ...	30	17	7	5	24	17	<i>Bond fide</i> member, Rs. 2 per month.	There is a school ...	...	...	Children being engaged in agricultural work.
25	Nimbayat (") ..	42	3	7	3	15	7	Paid Secretary, Rs. 2 per month plus bonus.	Do. ...	Apathy ...	...	Do.
26	Titwi (Khandesh) ...	106	25	All.	All.	42	All.	Member, pay Rs. 30 ...	Do. ...	Want of proper facilities...	...	
		2,104	524 24%			721	385 53%					

SOUTHERN DIVISION SOCIETIES.

Abstract of replies received from Co-operative Credit Societies in reply to the Bank's questions regarding education.

AN 54-8

No.	Name of Society.	Number of members.	Number of members who are literate.	Number of members of Managing Committee.	Number of members of Managing Committee who are literate.	Number of members' children.	Number of children who are literate.	Secretary and his pay.	School in the village. If not, how far.	Cause of Illiteracy.	Need for educational facilities.	Remarks.
1	Kartkoti ...	143	55	All.	All.	71	All.	80 per year ...	1 boys' and 1 girls' school.	Apathy. ...	...
2	Sambhapur ...	52	26	...	All.	12	10	Outsider, Rs. 3 per month	Private school. Government school 2 miles distant.	Want of proper facility ...	...	Need for Government school.
3	Kanginhal ...	223	75	...	All.	51	39	School master, Rs. 5 per month.	Yes, with a trained teacher.	Poverty and apathy ...	...
4	Harlapur ...	180	80	...	All.	58	34	Kulkarni, Rs. 2 plus bonus of Rs. 24.	Yes ...	Anxious to educate children.	...	
5	Malsamudra ...	123	57	...	All.	53	28	Bond fide member, Rs. 4 ..	Mission school ...	Tuition not according to Government standard.	...	
6	Timmapur ...	193	64	...	All.	53	31	Bond fide member, Rs. 4, bonus up to Rs. 10.	Yes ...	Poverty; want of proper facilities. If support given by Society, poor parents willing to send children to school.	...	
7	Dundur ...	95	5	...	5	50	20	Outsider, Rs. 3 plus bonus of Rs. 36.	Private and mission schools.	...	Encouragement being given in the matter of education.	
8	Sulebhavi ...	196	40	...	All.	82	54	Outsider, Rs. 4 and bonus.	Primary school ...	Parents engaging their children in their respective occupations.	...	
9	Badami Shri Banshan-kari.	96	58	6 out of 7 literate.	...	33	21	Secretary, member of Society.	There is a school ...	...	...
10	Kotumachgi ...	53	26	...	All.	29	18	Rs. 3 per month ...	Government school in the village.	Apathy ...	...
11	Hallikeri ...	172	54	7 literate and one illiterate.	...	95	55	School master, Rs. 3 pay and bonus Rs. 14 per year.	Government school in the village.	Do. ...	Need of good tuition ...	Anxious to educate children.
12	Mulgund ...	217	96	All.	All	42	42	Secretary is stamp vendor of the village and member of Society, Rs. 3 pay.	4 schools in the village ...	Do. ...	...
13	Saundatti ...	300	145	14	12	54	40	Secretary is member of Society, but unpaid.	One municipal school in the town.	Parents engage their children in their respective occupations; encouragement, however, is being given in the matter of education.	...	

No.	Name of Society.	Number of members.	Number of members who are literate.	Number of members of Managing Committee.	Number of members of Managing Committee who are literate.	Number of members' children.	Number of children who are literate.	Secretary and his pay.	School in the village. If not, how far.	Cause of Illiteracy.	Need for educational facilities.	Remarks.
14	Narayanpur ...	38	25	8	7	19	19	Secretary is member of the Society, pay Re. 1.	One private school and a Government school 1½ miles distant from village.	...	...
15	Jantli ...	86	18	...	All.	20	8	Secretary is a village school master and a member, paid Rs. 2.	A school in the village ...	Apathy ...	Anxious to educate children, but not willing to maintain a school.	
16	Kavajgari ...	58	38	...	All.	19	19	Secretary, member of Society, paid Rs. 5.	There is a school in the village.	Do. ...	Anxious to educate children and prepared to maintain (jointly with a neighbouring Society) a school out of profit.	
17	Halkoti ...	189	60	...	All.	58	42	Secretary, member of Society, paid Rs. 5 and one-tenth bonus of the profit.	Do. ...	Want of proper facilities .	...
18	Yeribeliri ...	138	66	7	7	52 (62%)	28	<i>Bona fide</i> member, paid Rs. 6 per month.	Yes ...	Apathy ...	...
19	Dambal ...	157	60	...	All.	50	50	<i>Bona fide</i> member and village school master, Re. 1 per month.	There is a Government school in the village.	Poverty and apathy ...	...
		2,709	1,048 (50%)		90%	901	558 (78%)					

GUJARAT SOCIETIES.

Abstract of replies received from Co-operative Credit Societies in reply to the Bank's questions regarding education.

No.	Name of Society.	Number of members.	Number of members who are literate.	Number of members of Managing Committee.	Number of members of Managing Committee who are literate.	Number of members' children.	Number of children who are literate.	Secretary and his pay.	School in the village. If not, how far.	Cause of Illiteracy.	Need for educational facilities.	Remarks.
1	Sajod (Broach).	177	...	No reply.	Nil.	No reply.	25	<i>Bond fide</i> member, pay Re. 1.	Yes	No reply ... ..	...	...
2	Chalod Group (").	104	5	Do.	5	Do.	Nil.	Do. plus bonus up to Rs. 50.	No; very near ...	No indifference ...	No ... ..	...
3	Sarsa (Kaira) ...	52	5	5	3	20	4	Do. Re 1 ...	Government school and urban and mission schools.	A little apathy and the necessity of making boys work in the fields.	Members anxious for education.	...
4	Vanskhilia (") ...	42	17	No reply.	17	No reply.	15	Talati, Rs. 2 ...	Yes ... ..	...	...	...
5	Sandalpur (") ...	248	40	...	5	...	30	Do. ...	"	Owing to ignorance very few people send children to school.	...	...
6	Traj (") ...	113	22	7	5	12	7	Do. Re. 1 + ½ of profit Rs. 30.	"	Dharalas being poor do not send children to school.	...	...
7	Alina (") ...	137	30	15	10	18	16	Talati, Rs. 2 ...	"	Poverty and their time being wholly given to agriculture	...	...
8	Hadgud (") ...	62	36	All.	All.	No reply.	...	Do. ...	"	All the members' children go to school.	...	...
9	Vehera (") ...	47	12	...	...	No reply.	12	<i>Bond fide</i> member, Re. 1 ...	"	Village school teaches up to 5th standard. It would be a boon if it teaches up to 6th standard.	...	Society willing to giving help in case of good profit.
10	Fali (") ...	86	24	All.	All.	70	11	Talati, Rs. 2... ..	"	Dharalas and Mahomedans are averse to education.	Patidars send their children to school.	...
11	Anand (") ...	342	110	...	...	100	40	<i>Bond fide</i> member ...	"	Dharalas and other poor agriculturists do not send children to school.	If there is compulsory education there would be no harm.	...
12	Kadodra (Broach).	89	8% literate.	10	7	Literate.	50%	Village teacher, Rs. 2-8-0.	Yes; into villages. In three other villages, school about a mile away.	Apathy	Need for schools in three villages comprising the Society.	...
13	Kothi Vantarsa (").	46	13	7	4	17	15	Police patil, <i>bond fide</i> member, Rs. 2-8-0.	Yes, up to 6th standard. Should be raised up to 7th.	...	...	No apathy.
14	Degaum (").	78	42	...	8	35	18	Police patil, Re. 1 + ½ of profit.	Yes	No objection ...	...	...
15	Vasna (Kaira) ...	131	39	12	9	53	13	Police patil (honorary) ...	Comprises five villages. Schools in two villages. For the rest, the schools are two miles away.	No facilities about schools in 2 villages.	Poverty and misunderstanding of the aims of education; as parents want the boys to help in agriculture they are unwilling to send them to school for fear of spoiling them.	...

No.	Name of Society.	Number of members.	Number of members who are literate.	Number of members of Managing Committee.	Number of members of Managing Committee who are literate.	Number of members' children.	Number of children who are literate.	Secretary and his pay.	School in the village. If not, how far.	Cause of Illiteracy.	Need for educational facilities.	Remarks.
16	Kolvana (Broach) ..	59	50	7	7	22	17	Police pátíl (honorary) ...	Yes	No indifference ...	...	...
17	Diva (")...	118	82	...	All.	40	25	Joint Secretaries, talati paid, village teacher, Rs. 2.	" ... ..	...	...	...
18	Vahial (")...	110	...	...	All.	25	15	Do. ... ..	" ... ..	...	...	...
19	Kothia Sdathala (")...	26	23	...	All.	10	...	Do. Re. 1 ...	No school. Two miles away.	No facilities ...	...	...
20	Pariaj (Broach)...	106	72	7	6	49	42	Bona fide member police pátíl,	Yes "	Indifference ...	...	...
21	Sisodra (")...	83	57	...	7	29	16	Do. Re. 1 ...	"	A little indifference ...	...	...
22	Pahaj (")...	100	78	...	...	...	Boys 31 plus girls 17.	Outside man, Re. 1 ...	Yes (a boys' and a girls' school).	...	...	...
23	Obha (")...	36	24	...	...	...	8	Police pátíl, Rs. 4-8-0 ...	Yes ... ..	...	...	...
24	Kharach (")...	31	18	...	...	2	1	Do. Re. 1 ...	"	No apathy ...	...	...
25	Kantharia (")...	60	55	...	All.	...	...	Bona fide member ...	"	Not good facilities ...	The system of rural education should in the opinion of the Society be different from urban education being based on the circumstances and the needs of the agriculturists	...
26	Jangar (")...	138	120	...	All.	3	3	Do. Re. 1 ...	"	Need for an English school.	...	...
27	Amrapur (Ahmedabad) .	22	5	7	5	5	1	Talati, Re. 1 ...	No school. Two miles away.	Want of a school and poverty.	Boys are employed in taking cattle out for grazing, etc.	...
28	Kerol (") .	53	5	7	3	18	3	Bona fide member, Re. 1...	Yes	Poverty and the need of employing children in minor agricultural work.	...	...
29	Chenpur (") .	41	10	...	...	22	14	Talati ...	No school. One and a half miles away.	Want of school ...	...	...
30	Chaloda (") .	106	55	...	All.	45	37	Village teacher, Re. 1 ...	Yes	Only the poor Koli members do not send children to school.	...	...
31	Khakhanpur ...	57	3	5	3	...	3	Talati, Rs. 2 ...	No; one mile distant ...	Want of school ...	...	...
32	Sureli ...	248	10	...	7	...	30	Do. ...	Yes	Owing to the children being agriculturists do not attend school.	...	...
		3,148	1,059 (35%)			598	471 (78%)					

(Sd.) VAIKUNTHAI L. MEHTA,
Manager, Bombay Central Co-operative Bank, Limited.

APPENDIX IV.

A Short Note on "The Secretary and his Remuneration."

The subject appears to be one which should not merit a separate note on it. I have, however, felt its importance because I have seen the evil of the false economy of having an ill-paid man to do the important business of account-keeping and preparing the annual returns and the balance sheet. I had often a talk with the auditing staff working in the Dharwar District and the numerous difficulties they had to undergo owing to the absence of a proper man in this important situation have convinced me that the attention of Societies generally, especially rural, should be drawn to this important point and they should be timely warned not to be tempted by this false economy.

Immediately after the first General Meeting of a new Society is held so many accounts have to be opened that it is impossible to expect a man without proper training to do the thing satisfactorily. A cash book is the first necessity. A share-holder register, a loan register, an interest account and what not, simply puzzle an ignorant man. I was present in Hubli when the Weavers' Union there was established. I had suggested to them to adopt the forms approved by the Weavers' Society of Dharwar. To facilitate the preparation of the annual balance sheet at the end of the year I had after two years' experience prescribed to the Society a form of writing up the cash book. That form gives at a moment's glance an idea as to working of the Society. The figures on almost all the heads are quite ready and have not to be worked up. To any casual inquirer it readily gives an idea as to the progress the Society is making. The comparison between several periods is thus made very easy. But the form, as it is, requires some intelligence to be properly used. The founders of the Hubli Society had fixed upon an old, superannuated school-master whose brains had practically ceased to take in anything new. He may have been a good hand at keeping accounts in the old fashion, but he failed to grasp the propriety of the several columns in the prescribed form and as a result he committed serious blunders in filling the form I had prescribed. This mess in the accounts continued for a year and the auditor who had practically to rewrite the accounts before he could prepare a correct balance sheet simply deserved to be pitied. I then suggested to the members the necessity of employing a well-paid competent hand to do the business. It is only very recently that they have employed a competent man to do the supervising business. The gentleman is a resident of Dharwar and he having to do a similar duty in the Dharwar Society can only spend three days in Hubli. They can get a competent man in Hubli itself, but their reluctance to pay him adequate remuneration prevents them from getting one.

I also know the case of a big Society which was for about four years from its starting in a moribund condition simply because the business of the Secretary was entrusted to a school-board clerk on the splendid salary of rupees four per mensem. This custom of employing the services of a man who cannot devote most of his time to the Society's work I am strongly against. The man thus placed brings neither zeal nor energy to the Society's work. I am firmly of opinion that at least in its initial stages no Society can properly grow and prosper unless it is conducted with energy and enthusiasm. People have to be persuaded to join the Society. A Society does not and cannot grow by itself. The Chairman and other Directors are generally men engaged in their own pursuits and it is absurd to expect them to give that amount of minute and anxious attention to the growth of the Society which is in my opinion necessary for the proper growth of a Society. The business of lending money can go on without a push because needy people generally flock to a place where their needs can be satisfied.

But the real work of inspiring a spirit of real co-operation is very important and that cannot be satisfactorily done unless there is a man in the Society constantly dinning in the ears of the members the principles on which the Society is founded, the purposes which it does and must in the long run aim at, the rights and responsibilities of the members, and several other things. A Secretary of a Rural Society has to do much more in this direction. An Urban Society cannot afford to undertake any other business besides lending money. It may, but that is possible only after the whole body of members learn to take keen interest in the management of its affairs. But a Rural Society to be worth the name has many things lying within the proper limits of its duties. They have to undertake the joint purchase of good seeds, manure, and implements, and besides this they have to do the really important business of the co-operative sale of the produce of the members of the Society. From the little experience that I have had as to the way in which a petty cotton dalal deals with an ignorant agriculturist I am convinced that the sooner the agriculturist is relieved from the hands of the dalal the better. The agriculturist is deceived in various ways. Weight of the articles is the first item. At the time of weighing, some quantity is taken as sample, some quantity as the portion of the deity and some as *hindol mundol* and *bardan*. I doubt whether the agriculturist is invariably present when his article is weighed. In that case he has to depend upon what the so-called clever clerk in the dalal's shop notes down as the weight of his article. Thus in several ways the poor agriculturist is handicapped. To save this a Society must sooner or later undertake co-operative sale of the produce of its members. But I ask you, gentlemen, whether a Secretary who is paid rupees three per mensem, who is often a school-master, a kulkarni and so on, can be expected to entertain the idea of making a beginning in this direction. If he writes the

cash book he thinks that he has done what he is paid for; he often omits writing up the subsidiary books. The business of a Rural Society though small in volume is sufficiently detailed and various to engage the whole time and attention of a properly trained man.

Though I am not an organizer myself I have tried to establish a few Societies and in many cases where my efforts to establish a Society have proved unsuccessful the reason was the difficulty of finding an efficient man to do the account-keeping business.

Near Hubli there is a village called Govankop which is a pretty large weaving centre. The weavers of that place had applied to the Dharwar Society to be allowed to join the Society, but their application could not be entertained as the village is about ten or twelve miles distant from Dharwar and it was impossible for the managing board of the Dharwar Society to be in close touch with the weavers of that village. When I asked them to start a Society of their own, they said they could not get a man to do the business of account-keeping. The idea of employing a well-paid man at the very start is generally not liked.

After writing so much on this point I may suggest that Societies which have been in existence for some time should be advised to engage a man adequately paid. In the case of new Societies I would suggest that the Government should help them in this respect on terms which the Government may deem proper. In many cases if the new Society is near enough to an old Society the Secretary of the old Society may be asked to do the business of the new Society for some additional remuneration.

Last though not the least in importance is a point which has engaged my attention for some time past. I think some preliminary training as to the way of conducting a Society is absolutely necessary for a would-be Secretary. That training would not require more than two months. Practical work in an old Society is essential. If students come to me I am ready to give them an opportunity of practical work in the several Societies that are now in existence in Dharwar. If a Society is conducted by a Secretary well paid and properly trained I am sure that that Society is bound to prosper.

VISHWANATH MAHADEV HERLEKER.

APPENDIX V.

A Co-operative Journal in English.

In his latest book Mr. Henry Wolff, a veteran in co-operative work, stated that co-operation, whether in agriculture or anything else, can only succeed on republican or representative lines. You want everyone concerned to join. You want everyone who joins to take an active part. You want life in every fibre, help from every hand and every brain. This, I submit, should be the spirit in which co-operators should work, and this, I think, might be more successfully diffused by a special journal devoted to its interests and advancement. I need not speak to you on the influence of the Press. Untaxed and unfettered except by the laws which bind Society together, experience seems to show us that its power for good is unlimited. The progress of co-operation in countries where it has been a remarkable success, such as Germany, France, Italy, Denmark, Holland, Sweden, Switzerland and Great Britain, may be attributed largely to the enormous growth of their co-operative journals. Even in Russia, where co-operation has been recently established, the movement is making great progress and no fewer than twenty-two periodicals are devoted to the propagation of its principles. The list of the journals in these places is a proud and noble list, the roll of an army for the propaganda of co-operation. Their watch-fires are numerous and bright. They are to be seen from all parts, and they form a chain of communication through the co-operative world. Long may they be seen burning brightly and purely, gathering together all true men and just, and driving the evil-doer into the darkness where shame delights to hide. Co-operation, says Mr. Wolff, is a soldier's battle, and should be conducted by those who are arrayed to win victory for it. I submit then that a co-operative journal is a trumpet, a call to duty urging co-operators to play their part well in the battle of life.

The need of a co-operative journal in India is a long-felt one, and at many provincial conferences proposals have been made for the establishment of an independent organ. I do not know whether, beyond the stage of proposals and resolutions, the idea has taken any definite shape until now. At the last conference held in this place, Mr. Gore, in a thoughtful paper read before you, mentioned three difficulties in an undertaking of this sort, and I think he has boldly answered his first two difficulties. The difficulties mentioned by him were (1) that the publication might not arouse and sustain public curiosity, (2) that the taste for reading having been illcultivated, there would be a poor chance for a large circulation. I think that Mr. Gore here refers to a journal in the Vernacular and not in the English language, which is now looked upon as the common language of India and is making rapid strides, with the result that our Indian Universities are turning out an increasing number of graduates every year.

Referring to the first objection Mr. Gore correctly said that "if the movement which claims to interpret and shape all the phenomena of life in the ends of justice and equity

cannot interest its readers" it is hardly worth the ideal it sets before it. His second objection he answers by the existence of special magazines now in circulation, which are more or less successful. I may add in this connection there was a time in India when a great majority of our educated Indians patronised newspapers dealing with politics, with the result that we have a host of them, dailies, weeklies, etc., conducted by Indians chiefly in Calcutta and Madras and dealing largely with political and other matters of general interest. There was a time when the educated Indians scorned the trading or manufacturing class. Now, however, when the eyes of the people are turned to the unique and proud condition of the industries and commerce of Bombay, which His Imperial Majesty said was a jewel in the British Crown, a new era of commerce, industry and co-operation has lately sprung into existence. Daily newspapers which maintain their traditional policy in matters of administration cannot always devote space to these branches of human activity, though some of them are now-a-days paying more or less attention to them. There is therefore at present a paramount necessity for an expansion and variety in what may be called the by-paths of journalism, which I may term class journalism. It was only to supply this want that I started in Bombay last year a paper called *Commerce and Co-operation*. It is the first weekly publication of its kind in Bombay or, for that matter, in the whole of India, dealing largely with co-operation.

Before speaking of my modest effort, which, of course, I must leave to my readers, I shall place before you the importance and significance of class journalism in England. Such journals stimulate the thoughts and attention of the classes they represent. Hundreds of thousands of readers look to them as a necessity of their existence and we need apprehend no evil from this great intellectual reform. Among Commercial and Financial Journals, the "Economist" has had many rivals since 1861. The first of importance was the "Money Market Review," begun in 1862, which, dealing more exclusively with monetary affairs, left the "Economist" in undisputed possession of the questions of broad commercial policy and of its connections. The "Bullionist" followed in 1866, the "Financier" in 1870 and "Money" in 1873. By this time every daily paper and nearly every weekly paper of general politics had come to pay close attention to commercial matters and to the operations of the Stock Exchange; but few of them, says Mr. Bourne in his book on English newspapers, were free from suspicion of making improper use of their opportunities for propping up unstable companies and promoting risky speculations. He mentions the name of the papers concerned, but I quote it only to show you the difference between exceptionally good dailies and modest "Class Journalism" in England. The class journals which are prospering in England are too numerous to mention here.

Mr. Gore's answer to his third objection is that the Registrar may undertake to edit the journal. I am considerably surprised at this statement, for Mr. Gore knows full well that the work of the Registrars of Co-operative Societies in India is not a bed of roses. To ask them to be editors would handicap both functions. From my personal knowledge of some of the Registrars I know they will make excellent editors, though most of the editors of our newspapers and periodicals would not make good Registrars. Further we should be placing them in an awkward position if, in their capacity as editors, they had to criticise the measures of Government.

This brings us to the consideration of an official organ about which I have expressed my opinion in reviewing the proceedings of your last conference in my paper. In the last paragraph of my review I said: "One other subject which we should not omit to mention as being one in which we ourselves are interested is the necessity of a co-operative organ. The fact that we have chosen co-operation as part of the name of this paper discloses what our view on the subject is. We have long felt the need of such an organ and the discussion at the conference also shows a consensus of opinion on the point, though there is divergence of opinion as to how effect is to be given to the proposal, whether by utilizing existing journals or establishing quite an independent organ. It is far better to have an independent journal encouraging and criticizing the co-operative work done than to rely solely on an official organ."

The history of journalism from the foundation of the newspaper press in England will unfold to you that in that free land (freedom obtained at considerable sacrifice) journalism has been one of the freest of all trades. The grim humourist who wrote "Sartor Resartus" more than half a century ago declared that journalists are now the true kings and the clergy, and during the past eight generations the press had made mighty progress in England. Conditions have varied immensely and continually since 1621 when Nathaniel Butler produced his "Weekly News," which was the first English newspaper. The same history will tell you how official organs flourished and decayed. It was in January 1661, under orders of the then king, that the first official organ, "Kingdom's Intelligence," was published by authority to prevent the dissemination of "false news." This was followed by "Mercurius Publicans," also to prevent false news, and this was followed again by a host of other journals, all of them flourishing for a time but dying a natural death because people had an appetite, not for news boiled by the official class, but prepared for them by independent private men. Thus the way was opened for those independent newspapers which are flourishing in England. What has been a failure in a most progressive country cannot be made the object of an experiment in India, where journalism is still in its infancy under entirely different circumstances.

Now there are very few class journals in India, and so far as co-operation is concerned the paper that I have started was the first and the only weekly in India which largely deals with the movement. Of all the movements initiated by the active benevolence of Government, none is more capable of improving the condition of the masses than the co-operative movement. The hope of the country lies in it, in large numbers of people learning to act and work together. It is the harmonious working of individuals in association for the common good, each for all, all for each. The object of my paper is to popularise this great movement and it is not for me to say how far I have been successful. A glance at the subjects dealt with since the paper was started will convince you that I have spared no pains to give satisfaction to my readers. Besides original notes and leaders on co-operative subjects, and weekly reports on the progress of Co-operative Societies and Banks in different parts of India, series of articles on co-operation and agriculture and other contributions are published week by week.

Compared with printing and other charges which I incur in my publication, I have only to add that the management of the agricultural magazine were right in their estimate in asking the Registrar of Co-operative Societies to buy 250 copies, to undertake the editing of eight pages to be added for co-operative matter, and also to push the circulation of the magazine among his Societies. This is a monthly publication and mine is weekly, devoting on an average more than eight pages to co-operation in every issue; so much so that I have on several occasions received complaints from my commercial friends that I devote my paper more to co-operation than commerce. Truly my object, as already stated, is to popularise this movement among the educated classes and through them to our vast silent multitudes of Indian peasants so as to enable them to find a voice to express their needs and an agency for progress which they never had before. Regarding our movement, the Editor of an Irish co-operative journal wrote:—"It is becoming a great movement there and is entering the villages, and the villages are being brought into contact with Central Banks and a sense of solidarity is springing up. It is true of India as it is of Ireland! it can never feel itself a nation or a country unless through organisations which will link the men in the villages together, which will again link the local Societies to great Central Unions and which will finally evolve not the spirit of caste or party, but a spirit of union all over the country."

In order that such a paper should continue its propaganda, help from both the Government and the public, or rather co-operation from both the bodies, is indispensable. The help of the former to a movement started under its benevolence will go a great way towards the realisations of its hopes, while the latter will appreciate that benevolence and will add a further zest by its subscriptions and contributions which form the essential features to the permanent growth and expansion of the paper. I cannot conclude this without acknowledging my deep sense of gratitude to the Bombay Government, to the Government of India and other Provincial Governments, to the Registrars of Co-operative Credit Societies in India and Burma and to the several co-operative workers and others who have most willingly rendered me their assistance. To each and everyone of them my thanks are due.

P. V. RAMUNNI.

APPENDIX VI.

Some stray ideas about Co-operative Housing Associations.

[By Krishnalal Narsilal Desai, M.A., LL.B., Ahmedabad.]

Certain writers are prone to find in the Hindu ideas of joint families and trade guilds (known as Mahajans) the germs of co-operation. Whatever basic principle there might be of co-operation in these ancient Hindu institutions, it must be candidly admitted that modern conceptions of the term "Co-operation" is of quite a recent growth. In India the growth perceptibly began in the year 1906 and partly owing to the aptitude of our people, partly owing to the labours of the pioneers of the movement and partly owing to the unstinted and generous support of the Government, within 7 years the movement has shown a remarkable development. The growth may be measured from the fact that speaking before the last Conference of Registrars at Simla, Sir Robert Carlyle had to say a word of caution against moving too fast. The movement in India first began with Co-operative Credit Societies; but when once the idea had taken a firm hold, it was soon extended to co-operative production. Co-operative distribution was next taken up, but there the movement is still in its infancy.

The system of Co-operative Housing Associations with which we are concerned forms part of co-operative distribution or otherwise known as consumer's co-operation. Even Europe with its highly developed systems of co-operation can by the beginning of the year 1911 only boast of 1,810 Housing Associations. Owing to the different systems of compiling statistics in different countries it is not possible to compare the growth of Co-operative Housing through the medium of figures available. Still it may be mentioned that out of the 1,810 Housing Associations above referred to about 1,170 existed in Germany (made up of 1,056 Societies for the erection of small buildings and 114 for the erection of communal buildings); Italy came next with 379, Austria had 312, Netherlands 191, Belgium 24-

(figures up to 1908 only are available); Switzerland 20 and Spain 3 (figures till 1904 only being available in the case of the latter country). Even for the United Kingdom the figures do not show as marked a growth as in the other branches of co-operation. By the end of 1909 there were in the United Kingdom about 73 Building Societies with 16 housing and garden city and garden suburban societies. Over and above these purely Co-operative Building Societies the United Kingdom also possesses Co-operative Societies whose main purpose is building houses under a system by which the ownership is after a time transferred to the tenants, as well as Societies which simply lend money for building purposes. "Down to 1906" (figures for later years being not available) "there were of this kind about 413 Co-operative Societies that had built 46,707 houses at a cost of nearly 10 million pounds. Out of these 8,530 houses were owned by the Societies which built them, 5,577 were sold to members while the remaining 32,600 were built by members and money lent by these Societies." In fact even in the United Kingdom with its highly developed system of co-operation, the movement has not made much strides in the region of distributive or consumers' co-operation, and it may be safely said that the movement has till now failed to relieve the distress of the lower classes consequent upon bad housing.

Coming now to India, the condition of the dwelling places of the poor is too well known to need any mention. Partly due to the migration of the rural population to towns, consequent upon the growth of the factory system and the vagaries of the Indian monsoon, but mostly due to the social as well as general unhygienic habits of the Indian people, overcrowding is almost daily increasing in our large towns. Indian labourers are, generally speaking, considered inefficient as compared with their Western brethren, and this inefficiency is often put down to early marriages. But these writers forget that home conditions are also of paramount importance in building up the bodies of the young. Bad housing generally embraces darkness, bad air, damp, dirt and dilapidation, all defective conditions of the structures. Over and above these there are other insanitary conditions, viz., defect in the water-supply, drainage, excrement and house refuse removal, etc., defects obtaining in all Indian towns. Born and bred in dwelling places abounding in almost all of the effects above mentioned, it is no wonder that the Indian labourer is considered inefficient. If we therefore want to remove the existing inefficiency, our attention must be drawn to the condition of the labourer's home. The qualitative improvement of the labourer's home is a pressing problem of industrial India. Legislative as well as administrative bodies, both Government and Municipal, can certainly effect much. There is also scope for philanthropic individuals and Societies. But the real impetus for improvement must come from within. Unless and until the labouring classes are explained the advantages of having good hygienic dwelling places and facilities are given to them to unite to improve their own lot, improvement is not likely to progress rapidly. The efforts which till now are made to develop co-operative credit and co-operative production should now be directed to inducing the people to co-operate and form Housing Associations. There will be difficulties in the way; difficulties not in the dwelling, but in the tenant-- Miss Octavia Hill once remarked: "The peoples' homes are bad partly because they are badly built and arranged, they are tenfold worse because the tenants' habits and lives are what they are. Transplant them to-morrow to healthy and commodious houses and they will pollute and destroy them." These remarks made with reference to Western countries apply with equal or perhaps greater force to the Indian people. Over and above implanting, developing and strengthening the idea of Co-operative Housing Associations, people must also be made fully to understand the advantages of good housing. Education in the elementary, yet essential, principles of sanitation must be considered a condition precedent to any success in co-operative housing.

In India at the present moment there are about three Societies resembling the type of Housing Associations. Two of these are in the Madras Presidency; one at Mambalam, Chingleput District, as can be seen from its rules, is not even a pure co-operative distributive society of which Co-operative Housing only forms a group. It is both a productive and a distributive society, since it has for its objects not only (1) buying and owning land or (2) selling sites with or without building, but also (3) setting up mills thereon and doing such other things as may be necessary to promote industrial pursuits on co-operative lines.

Another Housing Association is only recently started at Coimbatore. Unlike the previously mentioned Society, this is a pure Housing Society and may be safely taken as a model for other such Societies. Its main objects are (1) to build or own houses; (2) to enable members to build, rebuild, repair or overhaul their houses; (3) to co-operate with the municipal councils in schemes of extension or reclamation; (4) to generally further every kind of undertaking connected with the housing question in the Municipality of Coimbatore. The idea of co-operating with the municipal body is certainly a happy one, and may be followed by its sister associations. But I think it would greatly facilitate the success of these Associations if to these objects a new one is added, viz., to impart, and devise means to impart, among the labouring classes, the requisite knowledge of the elementary principles of sanitation. A few simple rules of sanitation may be drawn up in consultation with medical authorities and the members of these Housing Associations must be enjoined to observe them.

A third Society has also been started in Madura, Southern India. But these Societies being of recent growth cannot yet supply us with sufficient data to allow us to indulge in generalisations about their success or failure.

Coming to our own Presidency I think Bombay and Ahmedabad are the only two places where beginnings could be made. In the former town the City Improvement Trust has, I think, tried the experiment of building model chawls for the poor. If some of the energetic and philanthropic mill-owners of Bombay or Ahmedabad combine to form Housing Associations for their workmen and support them with their names and purposes, at least in the beginning, I am sure they will be conferring a never-to-be-forgotten boon on the labouring classes. As far as Ahmedabad is concerned, I am afraid there are certain difficulties consequent upon (1) a generally prevalent high rate of interest, (2) low rents and (3) an absence of thrifty habits. It will be conceded that (firstly) when people get good interest in safe concerns of established repute they are not likely to advance money to new Societies which cannot afford to yield a high rate of interest and (secondly) any rents calculated on the basis of cost and interest on capital are likely to be higher than the rents at present paid by the labouring classes specially in Ahmedabad. It is for this reason that the co-operation of the philanthropic shethias will be necessary to make a beginning. It is of no avail to sit with folded hands because of the difficulties. When once the work is taken up, difficulties are sure to suggest their own remedies.

But after all that has been said, it must be admitted that it is hardly possible or even desirable to lay down any hard and fast lines on which Co-operative Housing Associations can be formed in India. The different habits of the people in different parts of India may call for different types of Associations. But the broad fact must always be kept before us that such Societies should as far as possible be of a purely distributive type and should begin with building houses of their own and letting them to tenants under a system by which after a certain time ownership is transferred to the tenant on payment of a fixed weekly or monthly rental for a definite period, facilities being given to those who want to make the full requisite payment even before the expiry of the period. Combining the two types of distributive and productive associations is likely to lead not only to confusion but to a greater growth of the productive system rather than the distributive one; for the former is likely to show immediate profits. It must be remembered that co-operative credit is more fascinating and attractive than co-operative distribution. But the special type of co-operative distribution known as Co-operative Housing Association is the least attractive of all. It may, in the beginning, be desirable to combine co-operative housing with co-operative stores; Government and Municipal aid shall have to be acquired in getting cheap land. But these details must be left to individual organizers with a hope that before we meet again, Bombay, with its so many honorary organizers, will be able to supply India with a type and a model of Co-operative Housing Association, the sole need of her labouring population.

Ahmedabad, 31st August 1913.

APPENDIX VII.

CO-OPERATIVE HOUSING.

I. Building Societies.

• Of the various economic problems with which we are confronted in modern times, that of housing the poor and people of moderate means has assumed a serious aspect in all the larger towns and cities. Though food, clothing and shelter are the prime necessities of life, the cost of mere shelter becomes so very onerous, that the others have to suffer. Education, fresh air and amusement which are the necessities of civilization have in many cases become virtually unattainable. Thus the housing problem has been growing every day more and more pressing, yet no serious attempt has been made in this country to grapple it, though it has been receiving an increasing measure of attention in several countries in Europe and America. •

Among the methods employed for providing better housing in those countries, the system of co-operation stands pre-eminent, both for its educative value in inculcating the principles of self-help, and as a potent factor in the development of thrift and providence. In fact there is perhaps scarcely any branch of social work to which the principle of mutuality has not been successfully applied in those countries. The amended Act governing Co-operative Societies in this country, No. II of 1912, has no doubt opened up wider avenues for beneficial co-operative activities, yet it is perhaps the lack of initiative that has hitherto kept us back in taking advantage of its ampler provisions. Credit has been the only branch of co-operation which has up till now received our exclusive attention, and a wider recognition of the possibilities of other branches will not fail to bring about a healthy growth of co-operative work in all desirable directions.

But what I am immediately concerned with here is the question, how far co-operation can solve the housing problem? The urgency and importance of its solution cannot be over-estimated. If the people in the rural districts have attracted the attention of the co-operative worker on account of their sufferings, at the hands of the rapacious money-lender, those in the towns and cities have no less claim on his attention, they being left

altogether at the tender mercies of the grasping landlord. Both cases present analogous instances of hardships and sufferings, nevertheless the villager may in some respects be considered better off than the townsman. The village sowkar is at times moved by feelings of neighbourliness, and has often to circumscribe his rapacity by the limited length of the purse of his victim, but conditions in the town are solely governed by the unbending principles of competition. The hardship caused by high rents, aggravated further by the rise of prices all round, have made the lot of the townsmen almost unenviable. While Rural Banks have afforded a saving relief to the villager, the man in the town seems as yet to be far off from all possible chance of succour.

It is the cost of shelter alone which, as I have pointed out, takes away the large portion of the earnings of the townsman. Not being in a position to own a house, he has always to betake himself to a rented house. The relation of a landlord and tenant can never be termed happy; it is oftener strained than not. On the one hand, the landlord invariably refuses to carry out even the ordinary repairs, not to mention the improvements to suit the requirements of the tenant; on the other, no sooner has the tenant had the satisfaction of having made his quarter somehow comfortable or attractive, be it at his own cost, as is the general case, than he is put to the indignation of a notice by the landlord either to quit the rooms or to pay an enhanced rent. It is notorious that the landlord not only takes every opportunity to enhance the rent, but he always makes the solvent and continuing tenant to pay rent that will cover the losses caused by defaulting tenant or by the contingency of keeping some portion of the house often times vacant. And even after paying exorbitant rent, handsome as it is called from the point of view of the landlord, month after month for years together for the use and occupation of a house, what a keen disappointment awaits the tenant to find that he cannot lay claim to a single brick of it as his own! Constantly labouring as he is under a sense of these difficulties, he can never entertain the hope of putting an end to them by owning a house, not being in a position to build or purchase one. On the other hand, what would be his feelings if he were brought within the reach of a scheme which would give him the ownership of a house of his own choice in return for payment of not much above the usual rent for a limited number of years!

This is exactly the scheme which Co-operative Building Societies have in view. The scheme is to make the tenant his own landlord by combining the qualities of owner and occupier in one person. It enables a member of the Society to purchase a house by paying its price on the instalment system just as a tailor would now-a-days purchase a sewing machine. The instalments are so regulated as to suit the purse of the member paying. To build a house requires capital to pay the price of land and to pay the architect and the builder. The object of a Building Society is to provide this capital.

Such Societies are very common in Europe and America and in both the continents they have been doing immense good work for several years. It was England which led the way in this co-operative enterprise, as she did in many other matters. Mention of building clubs is said to occur in that country as early as 1795. Co-operative Building Societies, however, came into prominence in the early part of the nineteenth century. Their object was, as defined in a later Act, the raising, by the subscriptions of the members, a stock or fund for making advances to members out of the funds of the Society upon freehold, copyhold or leasehold estate by way of mortgage. They collected together the small periodical subscriptions of a number of members until each in his turn had been able to receive a sum sufficient to aid him materially in buying or building a house. The periodical payments are to be so arranged as not greatly to exceed the actual rent. To avail himself of the aid of the Society the member must be in possession of a small capital of his own, equivalent to the margin of safety the society reserves to itself, say one-fifth the value of the building to be purchased or built.

The *modus operandi* adopted by the earlier Societies was somewhat to the following effect. A number of persons would consent to hold between them, say, a hundred shares and to pay Rs. 10 per month on each share. In the first month Rs. 1,000 would be raised which could be lent to one member, who would execute a mortgage. In the second month another like amount would be raised which in its turn could be lent to another member on similar terms, and so on. The borrower had to add say Rs. 250 of his own to the sum borrowed, and with the whole amount he could purchase or build a house worth Rs. 1,250, which he would mortgage to the Society for Rs. 1,000, the amount of his loan; the Rs. 250 representing the margin of safety required by the Society.

Two systems of repayment were prevalent. In the one common to the earlier Societies no interest was paid, as such, but the periodical subscriptions were so arranged as to cover interest. In the instance under notice, the borrower would pay monthly instalments of Rs. 10 for 14 years, so that the payments would total Rs. 1,680, the excess of Rs. 680 would cover interest calculated at 5 per cent. per annum, and the whole amount if invested from time to time on the receipt of the instalments would, at the same rate of interest, rise to about Rs. 2,000. In the other system the borrower would pay his stipulated instalment, and if the rate be Rs. 10 per month, he would pay an additional sum of Rs. 4-2-8 as interest on the amount borrowed calculated at 5 per cent. per annum and thus redeem his mortgage in a little over eight years. Interest is, however, charged only on the balance of advance which decreases every year.

Shares may be made of any value, but the borrowing member was required to purchase them in proportion to the amount of his loan. The investing members, that is such as required no loan from the Society but looked upon it as a source of investment, were however at liberty to purchase any number of them. No member was entitled to receive any interest or dividend until the value of his share had been realized. Provision was made in the rules that members desiring to withdraw were to be paid in rotation as the funds came in. A member joining the Society later had to pay up back-subscriptions. The Society would terminate when all the shares became fully paid up, in which case it was known as a *temporary* Society to distinguish it from a later type known as *permanent*. A permanent Society allowed of a member entering at any time without paying up back-subscriptions and receiving an advance at any time repayable in any agreed term of years. The membership terminated in the case of an unadvanced shareholder when the amount of his share was realized, and in the case of an advanced shareholder when the repayments were made. Both types of Societies were formed by deeds of settlement.

One fact that needs to be set down to the credit of the earlier type of the Society is that a large number of them flourished and fulfilled their object in spite of many adverse circumstances. Building Societies received neither recognition nor protection at the hands of law during those early years of the movement. In the first place, the Friendly Societies Act of 1793, which had in view the regulation and protection of another contemporaneous labouring class movement for mutual benefit in sickness and distress, had a limited scope for its object, and a Building Society could not be registered under it. Secondly, the principle of limited liability in the case of any Association was not recognised at law until the year 1855, and even thereafter it was not extended to Building Societies until 1874, and the result was that until that year every member was individually liable for the debts of the Society. Thirdly, the Societies having had no corporate existence could not sue as such for debts due to them.

In spite of these drawbacks the Building Societies in England went on increasing in number and importance. Meanwhile there had been a growing desire to extend the benefits of Friendly Societies Act to various other Associations, and in 1834 its scope was extended to Societies for frugal investments, with the result that several Building Societies began to be registered as Friendly Societies till the year 1836, when the first *Benefit Building Societies Act* was passed, confirming to them the privileges granted by the Friendly Societies Act and according some additional privileges. The Act extended its benefit to such of the existing Societies as exercised the option of registration under it.

The enactment of 1836 marks the first important stage in the progress of the Building Societies. Though the legislation was defective in some respects, it conferred important privileges on the Societies. It gave them (1) exemption from Usury Laws, (2) simplicity in forms of conveyance, (3) power to reconvey by mere endorsement under the hands of the trustees for the time being, and (4) exemption from stamp duty.

Even after the Act of 1836, Societies of the terminating type only continued to be formed, the inconvenience caused thereby being overcome by a succession of Societies under the same management. About the year 1846 the system of permanent Societies was invented. The permanent type not only allowed a succession of borrowing members but also a succession of investors, for the Building Societies' shares were considered a profitable investment. It allowed a higher rate of interest than the Savings Bank and the security was considered as good. Moreover the compound interest was an important factor not to be ignored. The Society became a favourite Savings Bank of the people and a valuable means of thrift. The monthly contributions in the case of an investing member was a direct stimulus to saving. If he missed a payment, he incurred a fine and this gentle compulsion was a potent preventive of more tempting methods of getting rid of one's money. To the depositor it offered a remunerative method of investing his savings.

Thus the Building Societies steadily grew both in importance and number so that in 1870 their total assets were valued at 17 millions sterling and the annual income at 11 millions. They attracted public attention to such an extent that in the year 1869 an influential Association was formed for the protection of these Societies which still flourishes under the name of "Building Societies' Association." In spite of important privileges conferred by the Act of 1836 the Societies still laboured under several difficulties awaiting a speedy removal. Though the principle of limited liability was acknowledged by the Act of 1855 in the case of Joint Stock Companies, and though it was extended to Industrial and Provident Societies in 1862, the Building Societies were denied this privilege, with the result that every member was liable to his last shilling. Societies had still to be formed by deeds of settlement and the trouble to vendors and purchasers by the necessity of inquiry into the appointment and removal of the successive trustees to trace the title to the property had been very great. Moreover, while on the one hand grave doubt was entertained whether a Building Society had power to receive loans and deposits, on the other, many Societies received deposits far in excess of their demands. Thus an amendment of the Act of 1836 became imperative and through the instrumentality of the Building Societies' Association and partly as the result of the recommendations made by a Royal Commission of Enquiry was passed the Building Societies Act of 1874.

This Act may be regarded as the second and the most important stage in the development of the building society movement and it has been aptly described as a

charter of freedom to those Societies. It did away with unlimited liability and the old system of the trustees. Upon receiving a certificate of incorporation under this Act, every Society, old or new, became a body corporate by its registered name, having perpetual succession under a common seal, until terminated and dissolved. Members and all deriving title through a Society were relieved from the trouble of having to trace that title through the successive trustees of that Society. It further gave the Societies power to borrow and to receive deposits from members and other persons. On the other hand, it set a limit to that power, in that the total amount received on deposit or loan, and not repaid by the Society, was not at any time to exceed two-thirds of the amount for the time being secured to the Society by mortgages from its members, or in a terminating Society one year's income from subscriptions.

But even the Act of 1874 did not complete the legislative work for regulating the Building Society movement, which extended so far and wide and at times obtained such indiscriminate patronage from the people that Societies of all types—good, bad and indifferent—came to be started. Many came to grief after a brief existence. The yearly returns were not made compulsory even by the Act of 1874, and this absence deprived the Registrar or the public of any chance of watching their progress. Though a limit was set on the amount of deposits receivable by a Society, it did not prevent it from receiving deposits at call, and this practice led many Societies to embarrassment; others had to be wound up on account of large accumulation of properties on hand by default of borrowers. The practice of ballot on the other hand led to regular trafficking in advances. All these defects were removed by the amending Act of 1894.

This Act made annual returns compulsory, and to these are to be appended three schedules in which each Society has to give particulars (1) of the mortgages upon which it has advanced sums exceeding £5,000, (2) of the properties which the Society has had to take into possession through default of the mortgagor and of which it retains possession for more than twelve months, and (3) of the mortgages on which repayments are twelve months in arrears. The Act gave ample powers to the Registrar to deal effectively with Societies not complying with these requirements, or proved to be insolvent, and it also provided cheap and speedy procedure for dissolution. It prohibited advances by ballot and substituted the easy method of rotation or sale. It further required all the Building Societies established under the Act of 1836 to become incorporated under the Act of 1874. The combined effect of the Acts of 1874 and 1894 was on the whole very wholesome on the Building Society movement; it weeded out the rotten Societies from the field and encouraged vigorous growth of the healthy ones.

Thus the law gave all the protection which Building Societies were in need of. But it should not, however, be supposed that legislation alone is potent enough to prevent any movement from going wrong. It has been very aptly observed that people cannot be made sober by an Act of Parliament. Nor can it make them honest either. At the most it can provide punishment for dishonesty and jobbery. But either may escape undetected or much time may lapse between its commission and detection so as to render the effect of punishment nugatory. The success of a Society must therefore largely depend upon efficient administration and supervision.

The course of the Building Society movement was not all smooth; on the contrary it was marked by many an untoward event, which was mainly the result of mismanagement. Some failures were on so large a scale as to shake public confidence in the soundness of the movement as a whole. The hopeless insolvency of the Liberator Building Society, for example, involving funds counting several millions, went far to affect the credit of the Societies. On the other hand, the Birkbeck Building Society which successfully stood the test of a run brought about by the panic caused by the failure of the Liberator had an effect in the opposite direction, by tending to restore public confidence in the Societies. It must, however, be noted that the generality of the Societies, on the whole, are well managed and many of them successfully transact business on a vast scale.

Success or failure of a movement is governed by various conditions, of which the management plays an important part. Election of honest and capable men on the Committee is quite essential for the efficient management of a Society. It would also be desirable that the members on the Committee be such as have a stake in the Society, and should also include some at least who have practical knowledge of business. The Committee must exercise an efficient supervision over the work of its officers. Security from such officers as have the charge or the receipt of Society's moneys is very desirable, and the Act of 1874 has made this obligatory. Next to good management stands efficient audit. A careful and searching audit of accounts and inspection of securities and vouchers has a wholesome effect on the management. Only men qualified for the work should be appointed as auditors. Above all, the general body of members must exercise or be made to exercise some vigilance over the working of the Society.

The Building Societies won in course of time so great a popularity that in recent years several rivals have sprung up, evidencing thereby that even from a business point of view their operations have proved a success. The co-operative distributive societies lend their surpluses to members upon security of houses, and many thousands have been enabled to acquire houses on the Building Society principle. The great Friendly Societies also grant loans on the same principle. The vast accumulation of funds in their hands makes them

indeed formidable rivals. The Industrial and Provident Land and Building Societies carry on similar business, though on a smaller scale. The Small Dwellings Acquisition Act of 1899 empowers local authorities to advance money for enabling working classes to acquire ownership of small houses in which they reside. The Bond and Investment Companies registered under the Joint Stock Companies Act are undertaking similar operations. But all this competition has had the wholesome effect of reducing the rates of interest on loans to members, and thereby checking unwholesome speculation. But it has not been able appreciably to check the growth of the Building Society movement. From the returns available for 1908 it appears that at the end of that year there were in the United Kingdom over two thousand Societies, counting a membership of over half a million with assets totalling over 72 millions and an income over 38 millions. If to these were added the figures of the competing agencies in the same field the results could be considered marvellous indeed!

Such in brief is the history of Building Societies in the United Kingdom. They improved the economic condition of the lower classes of the people by transforming the rent-paying tenant into an owner of a house and in many cases into even a rent-receiving landlord. Instances are recorded of men who from small dealings have become considerable owners of properties. For here the wasteful method of paying rent is done away with and the rent itself is converted into part payment of the price of the house occupied. When once a member completes the ownership of his house, his outgoings would be diminished and he would be so much the richer than he was. He might now take another advance from the Society and buy another house and continue his repayments; and no sooner he has completed the ownership of the second house also than he himself will be a landlord. The new house will bring him rent, which will be an addition to his income which he might apply towards repaying another advance and buy another house, and so on to an indefinite extent. The Societies have proved to be a potent factor not only in promoting thrift and providence, but also in inculcating principles of self-government. They have tended to make good citizens and to diffuse moral education among working classes. For ownership of their homes by the workmen has proved to be most effective means of social improvements, and the extent of the good work done by these Societies may be gauged from the fact that they have enabled over half a million of persons to become the proprietors of their own homes.

The Building Society movement is not confined to the United Kingdom alone. In the United States these Societies, under the title of Building and Loan Associations and various other names, have been carrying on a vast and successful business. In 1905 there were over five thousand Associations with an aggregate membership of over a million and a half and assets of about 130 millions sterling. The movement accounts for the comparatively large number of houses owned by the working class families in that country. In the Dominion of Canada, too, the Building Societies are making rapid progress, their assets at the end of 1904 aggregating over 25 millions. In Belgium and France a mixed official and philanthropic system prevails. In Germany and Italy they are overshadowed by Credit Associations, which among other activities have not been slow in encouraging building operations among the members. In fact, in Europe, America and the Colonies the importance of the housing problem is recognised and it is on the high road to solution, chiefly by the application of co-operative methods.

✓ *II. Co-partnership Societies.*

The Building Societies have, no doubt, attained solid results in the solution of the housing problem. But they are not in themselves potent enough to solve the problem in all its phases to be met with in the town and city life of modern times. The rise and development of the science of public health in recent years has given a new turn to the problem over and above its original economic phase. On the other hand the Building Society movement had for its origin not the object of mitigating the evils of overcrowding so much as that of lessening the drain on the pockets of the tenant class by enabling them to build or purchase their own houses. It taught them that possession of their own houses was the best method of improving their savings and of bettering their economic condition. The Societies therefore partook more of the nature of thrift and providence organisations than that of institutions for providing healthy and sanitary dwellings for their members. None of them undertook building operations on its own account. In the earlier stage of the movement the Societies were more appropriately known by such names as Accumulating Fund, Savings Fund, Investment Association, and so on. In America they are still known under the name of Loan and Investment Societies, thereby showing the real nature of the institutions.

Thus the Building Society, though it enables its members to acquire houses, takes us but a short distance on the road to complete co-operative housing. The houses so acquired were scattered in different localities, and nothing could prevent them from passing into the hands of ordinary investors in house property or even of the slum-owner. From a return recently obtained from Co-operative Societies it was found that 20 per cent. of the Societies had direct evidence that houses that had been built or purchased by co-operative capital had passed ultimately into non-co-operative hands. Even from an economic point of view, ownership of a house would at times prove a doubtful boon when the owner was subsequently obliged to leave the neighbourhood.

With a view to obviate these difficulties was started the new idea of organizing Societies based on the principle of co-partnership or collective ownership, and which, while retaining the ownership of houses, gave increased attention to comfort and sanitation, and grouped the houses together in such a way as to keep up the character and good condition of the estate as a whole. The Society which first materialised this idea was the Tenant Co-operators, Limited, established in 1888, the late Mr. Edward Vancittart Neale being one of the founders. The object of the Society was to acquire or erect substantially built houses provided with all arrangements for the convenience of tenants; to let them at fair and usual rents; to pay a fixed rate of interest on capital; and to divide all the surplus profits, after providing for expenses, repairs, etc., among the tenants in proportion to the rent paid by them. The tenants must be holders of at least £1 share in the Society and each tenant's share of profits is credited to him in shares. The tenant while enjoying security of tenure is not tied to a particular house. Though this Society has done excellent work, it did not quite succeed in enlisting the interest of its tenant-members. This is partly attributed to the fact that its different estates are so far apart that the members had little knowledge of one another, and partly to the fact that it required of them no effort and no sacrifice.

The Tenant Co-operators found no imitator till the year 1901, in which year was started a Society, known as the Ealings Tenants, Limited, in a suburb of London. It was a decided improvement on the model of 1888, and owed its inspiration to Mr. Henry Vivian. The first defect referred to above was got over by confining the operations to a limited area, so that all the tenants of the Society might be neighbours and might know one another and act together; and the second by requiring each tenant to make himself responsible, as far as possible to a substantial sum in the share capital, the sum chosen in this case being £50. The Society is registered under the Industrial and Provident Societies Act.

To the share capital thus formed is added a loan capital obtained in various forms. Either form of capital receives only a limited rate of interest previously determined, the surplus profits being distributed in various ways according to local conditions. A major part is credited to the tenants as dividend on their rents, very much as in a store the members would receive dividend upon their purchases. When the tenant leaves the estate, dilapidations, if beyond the ordinary wear and tear, are made good from this fund and the remainder of the dividend is paid to the outgoing person. Should he, however, leave the house in as good a condition as he entered it, he naturally has all returned. A sense of ownership is cultivated arising out of the possession of stock in the concern and the participation in profits. The tenant lives in a house with a garden both in the front and rear, held on terms which give him a sense of partnership. The house occupied is well built and properly designed on sanitary lines. While tenure is undisturbed so long as the amenities of neighbourliness are maintained, the tenant is able in case of his removal from the district to withdraw or transfer his interest without the loss that usually follows on the urgent sale of a house by a man who has only one small property.

The Society at Ealing was started by a few members of the building trade desirous of securing better houses. At first land was purchased for the erection of 9 houses only. It cost £400. Later additions were made and by 1904 the Society had property valued at £25,000. Then came a great development in the idea. At the instance of Mr. Henry Vivian the Committee of Management agreed to adopt what he called "the long view," a phrase which has come to be associated with town planning in a very distinctive manner and to signify the development of the estate in such a manner as to provide for the pastimes, pleasures, and all the amenities of the people within site of their own homes. The Society has been able in course of time to accomplish all this without in any way impairing its financial position. The Committee increased year by year the acreage of their lands until now the Society has an estate worth £218,280. To the investor it has regularly paid interest at 4 and 4½ per cent. on its loan stock. To the tenant it has let the houses and gardens at fair rentals ranging from 6s. 6d. to £1 per week according to the size of the house occupied, and has allocated in addition a dividend on investor's rents which has averaged about 2s. in the pound on the rent paid and is credited to the tenant in the form of accumulated shares. Besides the gardens contiguous to the houses, additional gardens aggregating 5 acres in extent are allocated for the tenancy of those who wish to go in for market gardening on a domestic scale. Moreover, about 12 acres of land have been set apart for the purpose of outdoor games. Further a Club and Institute is located in the midst of the estate so as to be accessible from every part. Here is a fine hall for public meetings and entertainments and provision is made for a well-fitted library and indoor games and amusements in the various rooms of the Club and Institute. A hostel is also proposed to be erected. In fact, everything is devised and executed with a view to add to the manifold usefulness of the Society as a whole.

The idea of co-partnership in housing radiated throughout the country and the movement spread with great rapidity. At Hampstead 4 Societies are started with an aggregate acreage of 145 and property worth upwards of £380,000. Other places have also followed suit and there are at present several Societies established on the same principle. Fourteen of them have since federated together and their building operations when completed will, it is estimated, make the total value of the estates £3,450,000 with 9,125 houses, housing about 50,000 people on 900 acres of land. On many estates, besides the social amenities, Arts and Crafts classes are opened and schools of handicraft are organised, thus encouraging the tenants to do and give their best.

All these Societies have one feature in common, viz., the laying out of sites on a plan which takes cognizance of the future, secures a due proportion of open space, variety in the arrangement of streets, and the most advantageous disposition of the houses and other buildings. They go even beyond sanitary requirements and take account of higher needs. They have lent force to the advocacy of municipal "town-planning" as practised by several towns in Germany.

In order to promote the formation of Societies and to assist them with advice, a central organising body was formed in 1905 under the name of the Co-partnership Housing Council. Two years later greater impetus was given to the movement by the establishment of the Co-partnership Tenants, Limited, in 1907, consisting of a federation of the Societies. Fourteen Societies have joined the federation till now. Its capital is raised by shares of £10 each, on which five per cent. annual dividend (the maximum allowed by the rules) has been paid since formation, and by a loan stock at 4½ per cent. per annum. The objects of the Society are the formation and development of co-partnership residential estates and to act as a Central Business Federation for existing Societies; the provision of expert advice; and the assisting in raising capital for such Societies as join the federation. Its Trading Department secures economies by pooling orders and thereby ensuring benefits of wholesale cash dealing in building materials. Its Architects and Surveyors Department gives expert advice on land, estate development and housebuilding to ensure the members that the most economic and best methods are adopted. Its Audit and Account Department provides for professional audit of the accounts of the Societies and uniformity in account-keeping. The Society has further a Publishing Department, Education Department and a Social Welfare Department. In fact the development of the Society has been marvellous and its success seems to be well assured.

If we recall the original ideal of the co-operative movement as set out by its originator Robert Owen, we find that it aimed at building up co-operative communities in new centres of population by means of co-operative organisation, but the ideal remained unrealised all this while. Though the Rochdale Pioneers set the same ideal before them it was allowed to die out in the face of the more alluring ideal of dividend on purchases. Though the co-operative stores later on took up the housing work it was done more after the fashion of the Building Societies than as an approach to the original ideal. On the other hand, the co-partnership movement as typified by the Societies at Ealing, Hampstead and other places aimed at establishing Garden Suburbs, with residents going backwards to their work in the adjacent towns and cities. A nearer approach to the Owenite ideal was made by another kindred movement known as the Garden City Movement. A Society was started under the name of the First Garden City, Limited. It founded a co-operative society at Letchworth, an estate of about six miles in extent was purchased, and a town was built in the centre with a belt of agricultural land around, where small holdings are encouraged. Several miles of roads have been made, water mains, sewers and gas mains are laid and waterworks, gasworks and an electric power station are in full work. A few factories have already been established on the sites set apart therefor, the first industry started being co-partnership printing works known as the Garden City Press, Limited. In addition there are a Co-operative Store, a Co-operative Association of Small-holders and many other co-operative enterprises. In brief here is a self-contained co-operative industrial and residential town which is its own ground landlord, and where several thousand people earn their living in co-operative work, spend their earnings in co-operative channels, live in co-operative houses, built upon co-operative land.

Thus we see the onward march of the co-operative housing movement, progressing step by step through various stages—the scattered houses of the Building Societies, co-operative estates of 'Tenants' Societies, the co-operative planning of new suburbs and the co-operative development of new industrial cities, leading very near to the Owenite ideal of co-operative communities and to a greater step on the road to a co-operative commonwealth and the work of industrial reconstruction.

III. Aids to co-operative housing.

I have so far shown the possibilities of co-operation in the solution of the housing problem. But the problem is too vast for co-operation alone to solve, wholly or even on a large scale, without some extraneous help. Very few Societies can obtain capital on any large scale at a comparatively cheap rate of interest. Further, the price of estates and house-sites in and near towns and cities is ever on the rise, rendering it difficult for Co-operative Societies to obtain the requisite land for their operations. And there are besides those people who on account of their extreme poverty cannot hope to come within the range of the co-operative movement and who none the less stand in urgent need of better housing conditions. These difficulties, however, can largely be overcome if municipal bodies will come to the aid of co-operation, for none are more vitally concerned with the solution of the housing problem than they. Most of these bodies have so far concerned themselves with the framing of building bye-laws for regulating the construction of buildings within their respective jurisdictions. But their duty does not end there. They should also build houses of the best type whenever there is a necessity and give all possible assistance and encouragement to co-operative housing. Municipal Corporations can borrow money at a far lower rate of interest than private bodies. They must therefore

undertake building operations for the housing of those who are below the poverty line and whom the co-operative movement cannot hope to reach; and secondly they must help Co-operative Societies by loans, by leases of land on easy terms, and by acquiring house sites for them.

Moreover as Societies grow in number and usefulness, the question of land will be found to be more difficult for solution than even of capital, and the difficulty of getting land at a fair price and in sufficiently large estates must necessarily hamper the work of the Societies in the solution of the housing problem in any broad and comprehensive manner. When any first tenant suburb or garden city is laid out and completed, it will not be possible to obtain another large tract of land at a sufficiently low price in that neighbourhood on which to found another suburb or tenement on similar lines, owing to increased value of the adjacent land that must follow the development of the first site. Legislative help would be necessary in such cases to invest the Societies with powers to acquire land, or the municipal bodies should be empowered to do the work of acquisition on behalf of the Societies. Anyhow the "unearned increment" in the value of the soil caused by its change from an agricultural to an urban area by the operations of a Housing Society must be secured to the body who brought about the increment.

In recent years municipal and state aid to Housing Societies has become very distinctive in all the leading countries of Europe. In Belgium the Government Savings Bank has authority to lend money at 2½ to 3 per cent. to Housing Societies which in turn lend to their members with a margin of 1 per cent. on the joint security of nine-tenths the value of the house and a life assurance policy to the extent of the loan. In France the law promotes the formation of Housing Societies, by granting various facilities for the investment of money in the Societies by public bodies and benevolent institutions, by taking shares of the Societies and by loans. In Germany the important building agencies are the Housing Societies of public utility. Some of them are co-operative, and others semi-philanthropic in that they aim at building good houses and limit their profits. Both kinds of Societies are encouraged in every way and have consequently greatly developed. The Prussian Government has issued orders urging municipalities to support these societies by remitting the cost of constructing streets and sewers, placing the assistance of building officials at their disposal, taking their shares, lending them money, and becoming security for them. A great deal of public money has thus been advanced to these Societies. A somewhat similar course has been followed in Holland and Italy also.

In the United Kingdom the housing problem began seriously to attract public attention about the middle of the nineteenth century and resulted in the passing of the Lodging Houses Acts of 1851 and 1861. But the more important Act from the co-operators' point of view is the Housing of the Working Classes Act of 1890 which consolidated all the previous legislation on the point. The Act of 1890 authorised loans to Housing Societies and Associations and even to Joint Stock Companies engaged in similar work, by the Public Works Loan Commissioners for a period of 40 years not exceeding one moiety of the value of the land and buildings (section 67), and at a rate of interest not less than 3½ per cent. per annum, as the Treasury may from time to time authorise (section 83). But the latest legislation on the subject is bound to revolutionise the whole housing question. The Housing and Town Planning Act of 1909 grants far more important privileges to Housing Societies than hitherto were obtainable. Money for housing purposes can be obtained by Societies much more advantageously and cheaply from the Public Works Loan Commissioners under the new Act than hitherto. Under section 4 the period of repayment can be extended to as much as 80 years, and loans may be obtained to the extent of two-thirds the value of the properties. A longer period of repayment means lower rents, because a loan for 80 years at 3½ per cent. can be liquidated by annual payments of about 3½ per cent. only of the amount of the loan. With regard to Garden Suburb Societies there is much scope for encouragement under the Town Planning part of the Act. Section 61 lays down that where a local authority has failed to adopt any scheme proposed by owners of any land in a case where a scheme ought to be adopted, the Local Government Board have power either to enforce them to carry it out by mandamus or the Board may itself approve of the scheme, which shall then have effect as if it had been approved by the Board after its adoption by the local authority. It therefore follows that if a co-operative society prepares a scheme of development for land in its possession and submits it to the local authority, and the latter is unwilling to proceed in the matter, two or three members of the Society's Committee could make the necessary representation to the Local Government Board respecting the desirability of the scheme and the Board after enquiry could either compel the local authority to adopt it or approve of it apart from the local authority. Two more sections of the Act have an important bearing on the Garden Suburb schemes. Under section 44 the Local Government Board have power to revoke any local by-laws that appear to them to impede schemes for the erection of working-class dwellings; while section 55 (2) gives the Board power to insert in any approved town-planning scheme special provision for suspending as far as necessary any statutory enactments, by-laws, regulations and other provisions under whatever authority made, which are in operation in the area included in the scheme. The effect of these two sections is that where restrictive or unreasonable by-laws make the carrying out of a scheme of model development difficult or impossible, powers now exist for over-riding or relaxing such by-laws.

Thus the Act of 1909 will put a powerful lever in the hands of co-operators in the solution of the housing problem and, most of all, it will give a great stimulus to the Co-partnership Housing Movement, which is now recognised to be the most interesting and in many respects the best of all the recent developments. Its possibilities, especially in the larger towns and cities, are now quite patent. The movement will not be less potent in the solution of rural housing. The Report of the Select Committee on Rural Housing suggested that such Societies should be formed in every county in England. Already some workers have started an Association under the name of "Rural Co-partnership Housing Association" (now the Rural Co-partnership Housing and Land Council) for propagandist work, and it has already succeeded in starting several Rural Co-partnership Societies to provide land and houses to the rural labourer. Thus Co-partnership Housing having been tried and found successful in varying conditions, its possibilities must indeed be vast and illimitable.

IV. Work in India.

So far I have tried to show what tremendous strides the countries in Europe and America have made in the solution of the housing problem by the application of co-operative methods. Other agencies, too, such as municipalities, employers of labour and philanthropy, have not been slow in bestowing their attention on the question. But of all the agencies co-operation has covered most ground. It now remains to be considered what work has been, or is possible to be, done in our own country. As for the work in the past it can be described by the single word of negation. But that can afford no excuse for future inaction.

The first step that may be taken by way of action should be the work of campaign and propaganda through the agency of Housing Councils, Tenants' Associations, and the like, in order to educate public opinion on the subject. For so long as the problem does not receive any public recognition, its solution will every day grow more and more difficult.

But we need not stop short at campaigning alone. Actual work on a small scale might be commenced, but those who may be anxious to start Housing Societies of one or other type should be given every possible assistance and encouragement as pioneers in the field.

As to the form a Society might take in this country, much must depend upon local conditions and the status and requirements of the persons who may wish to start it. Speaking from a general point of view, however, I think it would be better to adopt the co-partnership method as the basis, with scope to adopt the building society principle in individual cases of those who might prefer it. The Society must retain the ownership of the whole area of land with liberty to offer to its members a variety of methods of house tenure, such as an ordinary rental basis, house purchase, or the loan of capital on mortgage for the individual to build his own house. All these methods are capable of being welded into a concrete yet sufficiently elastic scheme so as to make it acceptable to the varying desires and needs of the members. If facilities are available, it is worthwhile to take in hand a garden suburb scheme, wherein might be combined a variety of methods of house tenure. But whatever may be the method adopted, it seems desirable that tenants in the same building or in a set of neighbouring buildings should be so sorted as to enable them to act in concert and be helpful to one another. With this object in view I would, if a sufficiently large estate were available, set apart different plots for different castes and communities of people, with common open grounds, gardens, etc., but it does not seem to be necessary to start a Society on exclusive communal basis. It would however be premature at present to enter into these details which must be worked out according as the occasion and the needs of the case may require. But before Societies can work on any vast scale so as to achieve substantial results, it is desirable that they should be afforded the same facilities as are obtainable in European countries, if not more, in view of the backwardness of the country. In order to understand how far co-operative housing would be successful in this country, it would be desirable to compare the conditions favourable or otherwise obtaining in India with those in any European country, say, England for instance.

Let us in the first instance compare the facilities which legislation affords to co-operative housing. There is no legislation, in this country, expressly intended to encourage any housing agency, commercial, philanthropic or co-operative. The new Act of 1912 so far as co-operative housing or building societies are concerned, can at the best be said to make them permissive, and does not go to the extent of any English Acts on the subject.

It would be worthwhile to compare some of the important provisions of the Building Societies Acts of 1874 and 1894 with those of the Indian Act II of 1912. Under the English Acts the shares in Building Societies differ in essence from the shares in limited liability companies, in that the latter constitute definite portions of the capital of the company, and are strictly limited in number, whereas the former represent a proportionate quota of the capital of the Society and are unlimited in number. There may be as many shares in a Building Society as people like to apply for. The Indian Act II of 1912 does not seem to differ in any way in this respect, for it nowhere lays down that any Society

should limit its capital to any definite amount as is done in the Indian Companies Act VI of 1882, section 8 (e). Consequently, there would be no legal objection in India, in the case of Co-operative Societies with limited liability, to follow the same course as is done by the Building Societies in England. But in practice, however, it is usual to specify in the by-laws of our Societies the amount of capital with which a Society proposes to be registered and to have that capital divided into shares of a certain fixed amount. Again under the English law there is no limitation on the value of shares in the case of a Building Society, though the older Act of 1836 prescribed some such limitation. On the other hand under the Indian Act, since section 5 limits the share-holding of a member to the nominal value of Rs. 1,000, it is clear that a share cannot have a higher value than that amount. An infant under the English law can be a member and can give acquittance, while the Indian Act does not preclude a minor from membership (see section 6), and seems inclined to admit him to that privilege if he came in as heir of a deceased member (section 22, provisions i and ii). Under the old Act X of 1904 minors were expressly excluded [see section 3 (1)]. The responsibilities of officers and Committee members under the English law are far greater than those under the Indian law. See section 43 of the Act of 1874 and sections 13, 15, 21 and 22 of the Act of 1894.

The Indian Act gives in some respects better privileges. Besides the exemption from stamp duty allowed by the English Acts, the Indian Act allows exemption from income tax, remission of registration fee (see section 28 and the Government of India Resolutions thereon), and what is more important the share or the interest of a member in a Society is not liable to attachment or sale under any decree or order of a Court in respect of debts due to outsiders (section 21). Again under the Indian Act every member is entitled to nominate his heir, and the entry of the latter's name in the records of the Society enables him to claim the interest of the member in the Society on his death (section 22 and rule 12). Both English and Indian laws dispense with succession certificate by heirs of members dying intestate, and empower the Committee to determine the heir, but while the English Act limits this power to amounts up to £50, the Indian Act does not prescribe such a limit.

Fines, penalties and forfeitures in case of members making default or offending against the rules are expressly empowered to be levied by the English Act. Section 16, Cl. 13 of the Act of 1874 requires that the by-laws of every Society should make provision therefor. And it has therefore been held in reported cases that rules as to fines, etc., cannot arbitrarily be dispensed with and that the liability to be fined is in some cases a test of membership. An absence of similar provision in our legislation accounts for frequent refusal by Courts to enforce fines and penalties, though the by-laws of all the Societies invariably provide for such levies. The cases of refusal to award future interest by Courts in their decrees are also due to the same defect in our legislature. These defects have entailed much inconvenience and hardship on our Societies; for the defaulting members have begun to discover that it is more advantageous to be dragged into Court than to settle accounts out of it. It seems these defects can be removed without recourse to fresh legislation. Clause (c) of section 43 of our Act empowers the Local Government to frame rules prescribing "the matters in respect of which a Society may or shall make by-laws," and clause (d) empowers the framing of rules prescribing "the conditions to be complied with by persons admitted as members," and clause (e) the framing of rules prescribing "the payments to be made and the conditions to be complied with by members applying for loans." Therefore it would be possible on the analogy of section 16 (13) of the English Act specially to frame rules requiring by-laws to provide for imposition of fines and penalties and for the payment of interest till date of satisfaction of a loan. At present these provisions can only be construed by a remote implication from the words "consequences of default in payment," and the "conditions on which loans may be granted" in clause (b) of rule 5 (1) which prescribes the matters that shall be provided for in the by-laws of every Society.

The cheap procedure for dissolution of Societies under the English law is also provided for under the Indian Act, though only one mode of dissolution, viz., by award of the Registrar, is provided for [see section 39 and the Government rules framed under clause (f) of section 43]. Again under the Indian law arbitration is made optional and is allowed to be provided for by Rules [see clause (f) of section 43], but no rules are yet framed thereunder. On the other hand the English law requires that the by-laws of every Society shall provide for a tribunal to which disputes between the Society and its members or any person claiming under them are to be referred for settlement. The tribunal must be either arbitrators, or the Registrar, and failing these the Court. If the matter in difference is a dispute within the meaning of the provisions referred to above, the Courts have no jurisdiction to deal with it in the first instance. (*Norton vs. C. C. P. Benefit Building Society*, 1 Q. B. 246, C. A.—1895.)

Further, under the English Act Building Societies are enabled to institute all suits in a County Court, irrespective of the value of the subject-matter of the claim, though the ordinary jurisdiction of such Courts is limited to actions up to £100. This privilege is extended to actions under various other special Acts. The Societies registered under the Friendly Societies Act, 1896, and also those registered under the Industrial and Provident Societies Act, 1893, enjoy the same privilege. The absence of a corresponding provision in our Act will be a great handicap to Building Societies started in the Presidency towns

where, if at all, there is an immediate scope for such Societies, as all suits relating to lands and buildings in such towns are to be instituted on the Original Side of the High Court. This course would involve such an expensive procedure that a single case taken to the Court might land the Society in bankruptcy. On the other hand, that the intention of the Co-operative Societies Act is to save Societies registered under it from the expensive procedure an ordinary Court involves is apparent from the special cheap procedure prescribed or contemplated in cases of dissolution and disputes; and it may therefore be hoped that our Government will not be slow to remedy this defect also, by empowering the Presidency Small Cause Courts to entertain such suits. As Co-operative Societies in the contemplation of the legislature and to a large extent in fact, are aggregations of persons of small means engaged in the pursuit of a desirable object, the policy has been adopted of furthering their efforts by freeing their operations from all unnecessary expense. Per Bacon V. C. in *Thomson vs. Planet Benefit Building Society*; L. R. 15 Eq. 333 at p. 347. This principle requires liberal recognition at the hands of the Indian legislation and also of the Indian Courts.

One more point which requires notice is that under the English law security from officers of the Society having receipt or charge of money is compulsory, while under the Indian law there is no corresponding clause. However desirable security from officers may be, its compulsion, in the case of officers of every Society in this country at this early stage of the movement, might be inexpedient, though the more advanced societies might be induced to adopt the procedure. The Friendly Societies Act of England, however, makes security optional in the case of officers, but a provision making security from them obligatory is invariably included in the by-laws of all the Societies registered under it.

The existence of a large number of guarantee societies in the United Kingdom affords great facilities for finding security in the case of officers of Societies. But what is more important to be noted in this connection is that the two great affiliated friendly society orders have established guarantee societies of their own on the mutual principle, thus reducing to the lowest limit the contributions of the respective officers. In this they have followed the example of the Post Office, where a Guarantee Society was organized in such a manner that the whole of the losses of defaulting postmasters were defrayed out of the interest on capital, leaving the capital intact to be refunded to each officer or his representatives on leaving the service. It seems desirable that Co-operative Societies in this country should organise Guarantee Societies of their own on the mutual principle. To begin with one such Society may be started in each province. The one great advantage from such a society would be to increase the efficiency of individual Societies, as it is usual to make the amount of contribution to be paid by a Society to depend upon the measures adopted by it for efficient audit and supervision, reducing thereby the risk to be run to a minimum.

Now to turn to legislation again, we find that, besides the Acts for encouraging and regulating the Building Societies, there are in England numerous other enactments which concern themselves with the housing of the poor and the working classes. I have already noticed such of them as are important from the point of view of co-operators. They are the Housing of the Working Classes Act of 1890, which consolidates the previous legislation on the subject, and the Housing and the Town Planning Act of 1909 which considerably enlarged and amplified the scope of the Act of 1890. The important privileges and facilities afforded by these two Acts to co-operative housing have already been referred to. Now, when we turn to India we fail to find any corresponding legislation on so important a subject. Nor do we find in our Acts governing Municipal affairs of Districts or Presidency towns any provision for the encouragement of housing, co-operative or otherwise. On the other hand, the Bombay City Improvement Act of 1898 which is expressly intended to deal with the question, with all its ambitious preamble, has at the most the aim of doing away with insanitary housing than of bringing about better housing conditions, and the reference it contains to the housing of the poorer classes seems rather to be casual than made with intent to govern the policy of the legislation. The Act seems to ignore the principle that the process of building must keep pace with that of demolition, and in some cases must even go ahead of it, as has been the present policy throughout Europe and America. The tendency there is now towards the more effectual application of gradual methods of improvement, the utilization of co-operative and other private agencies to the fullest extent and the exercise of prevention in preference to cure. On the other hand the lesson taught by Miss Octavia Hill's experiment, which consisted in the comparatively modest method of improving and reconstructing bad houses, has received a general acceptance. The more helpful scheme pursued in recent years is to decrease the pressure in the centre of towns by encouraging migration to the outskirts of towns by special concessions to suburban housing and by bringing about cheap, easy and speedy transit facilities; or, in other words, to minimize the effects of urbanization by the process of suburbanization. All these methods seem altogether to be new to India, where legislation has yet to direct its serious attention to the manifold nature of the housing problem.

Next in importance to the question of legislation comes that of capital. It will be readily conceded that of all Co-operative Societies a Housing Society requires the cheapest capital. For its operations will be mostly requisitioned in populous towns, where land, building materials, labour and professional advice can only be bought at a high price. In

the case of a commercial builder, however, he gets over these difficulties by numerous shifts. He would crowd his buildings on as small a space as possible, without the least regard to light and air, to the utmost extent the stretching of by-laws would permit; he would build on the cheapest land which would be the case only in unhealthy localities, for the health of residents is no concern of his; he would use second hand, if not rotten, materials to cheapen the cost of construction; and to him any architect is as good as any other, provided he charged the lowest fees. A Co-operative Society, on the contrary, needs to build only in healthy quarters, with due regard to light, air and sanitation, using good and sound materials, and would therefore be naturally anxious to have recourse to the best professional advice. In other words a commercial builder studies economy and high rents, while a Co-operative Society has to study health, comfort and convenience. Consequently rent, which forms a matter of first importance to the poor and people of moderate means, for whom chiefly such a Society is expected to cater, can only be fixed on a moderate scale, if the Society can obtain its capital as cheap as possible.

But capital in India is more dear than in any European country. Even in a city like Bombay where capital is in abundance compared to any part in India, she cannot ordinarily be coaxed at a lower rate of interest than 8 to 10 per cent. on approved and safe security. On the other hand, it is well known that in the case of more recently constructed buildings, good sanitary housing on reasonable rentage does not yield more than 5 per cent. on the total capital invested. Cheap capital is the first requisite of a Co-operative Housing Society. Loans from the Bombay Central Co-operative Bank will be of no use to it; and provision for far cheaper capital is therefore quite essential for its success. Moreover a Co-operative Housing Society will be an entirely new enterprise in this country, where it has yet to establish its worth and utility, and it will find it difficult to raise the required capital in the open market on any favourable terms, as must be the case with any new enterprise on an untried soil. Such a Society will have therefore to look to state and municipal aid, at least in the earlier stages of the movement. If provision could be made in this way at least for $\frac{2}{3}$ of the capital as in England, it will not be difficult to raise the remaining $\frac{1}{3}$ from those who are to be benefited by the Society and from such of the investing public as may be sympathetically disposed towards the movement. Moreover Societies which may come first in the field will find the job rather tough for want of previous experience to guide, and it is therefore desirable that every kind of help and encouragement should be extended to them in the earlier stage of their existence.

Next we have to consider transit facilities, without which a garden suburb movement on co-operative or other lines would almost be impossible. Cheap, easy and speedy transit will not only facilitate co-operative housing, but will also vastly stimulate other agencies as well, tending thereby to bring about an easy solution of the housing problem. The importance of such a step is now recognised in almost all European countries. In Belgium cheap transit facilities including railroads, light railroads and tramways, carry a large proportion of work people over long distances to and from work. The fares are 1s. 6d. a week for a daily double journey of 20 miles, 2s. for 44 miles and 2s. 6d. for 66 miles. Some journeys, it is said, last 3 hours. In England also the improved travelling facilities, the building and electrification of tramways and the development of other means of cheap local travel have had a beneficial effect on overcrowding. In London and Liverpool, for instance, electric tramways, motor omnibuses and railways take workers over long distances in a short space of time for very cheap fares. On the other hand, in India such facilities are yet to make their appearance. Even a city like Bombay is far backward in this respect—witness the frequent and persistent complaints (a few only of which make their appearance in our local papers) made by the public regarding the present condition of our passenger traffic. No housing reform worth the name, on any appreciable scale, co-operative or otherwise, would be possible unless the congestion in the interior of a town or city is lessened by inducing people to live in the outskirts by cheap, quick and convenient transport facilities.

To sum up, then, our requirements in this country, from the point of view of co-operative housing, and for the matter of that of any good housing, we want firstly certain legislative facilities, chiefly a Town Planning Act on an English or German model; secondly, facilities for cheap capital through the agency of Government or municipal bodies; in Bombay the City Improvement Trust might also be authorised to advance loans to Housing Societies on easy terms; thirdly *cheap, quick and convenient* transport facilities; fourthly, other facilities and encouragement to Housing Societies by giving available lands in the possession of State, Municipality or Trust on cheap terms, by placing free expert advice at their disposal as is done in Germany and by relaxing the rigour of building by-laws in their favour wherever they might cause unnecessary hardship as is done in Germany, and now in England also under the Town Planning Act of 1909.

Above all India's greater need is workers—workers in all branches of social service. Not that our country is lacking in workers at all, or lacking them in number; but men who feel interest in genuine social work are few and far between. The housing of the poor is a great social problem, sufficient to occupy the sole attention of any number of workers. And all the legislative and other facilities can at best be only half way measures, unless the people to be benefited thereby are made to rise to a sense of their responsibilities. Here is field for ample pioneering work for our workers through individual agency or through associations of workers. Whatever value individual work may have in certain respects, the value of associated action cannot be ignored. Where individual work has the result of

frittering away energy, associated action is the only effectual remedy. It is the characteristic of an Englishman that no sooner is he convinced of the merit of any principle than he will set about to form an association of sympathetic persons to propagate the virtue of that principle, and to bring about a movement to put it into action. Soon after the gravity of the housing problem began to be realised in England, an association of workers came into existence to do the propagandist work, under the name of the Metropolitan Association for Improving the Dwellings of the Industrial Classes (1841). This was followed at subsequent periods by other associations of like nature, such as the Mansion House Council on the Dwellings of the Poor, Working Men's National Housing Council, Co-partnership Tenants' Housing Council, Rural Co-partnership Land and Housing Council, and many more similar bodies. And this is only a part of the story; for no principle worth the name in any department of life has attracted the attention it deserved, but that it has brought about an association to propagate its merit and win votaries to its cause. On the other hand the conditions in our country have not always shown a tendency towards associative action. Though, for instance, co-operative credit is acknowledged on all hands to be the great requisite for the regeneration of Indian Agriculture and this for over a decade, yet there does not exist a single association in any part of the country to take up the work of propaganda for disseminating its principles. Hence it is that though there is apparently plenty of co-operation all over India, as is witnessed by the number of our Societies being larger than in any European country, yet it would be very difficult to speak of the existence of a co-operative movement in our country. It therefore behoves the leaders of our land to realise the possibilities of co-operation to take a keener interest in the propagation of its principles and to bring all its branches within easier reach of the poor than has hitherto been the case.

S. S. TALMAKI, *Chairman,*
Shámrao Vithal Co-operative Credit Society, Limited.

Bombay, 11th August 1913.

APPENDIX VIII.

A NOTE ON CO-OPERATION AMONG THE MILL-HANDS.

(MR. G. K. DEVDHAR, M.A., *Member, Servants of India Society.*)

Co-operation as a remedy.

It is a matter of satisfaction that the subject of the unsatisfactory condition of the mill-hands is receiving greater attention at the hands of those to whose care they have come to be entrusted, and that the bulk of the mill-owners are now roused to the consciousness that there is something wrong in the condition of the mill-labourers which deserves to be righted as early as possible. As a proof of this it is to be noted that the President of the Mill-owners' Association in Bombay at their last annual meeting dwelt in his speech, among other things, on the condition of mill labour; and the Editor of the *Times of India* in an able article, while discussing the progress of mill-industry, suggested that in order to improve the state of the mill employees, which was every day attracting greater attention on the part of the sympathetic Captains of mill-industry, there were two remedies that could be applied to bring about the desired result: one was the provision of better-housing, and the other was the *spread of co-operation*. I believe the article strikes the right note in making these recommendations to better the lot of the poor mill-hands, and I venture in this paper to offer my views about the possibilities of co-operation, if spread among these people, and to suggest a scheme by means of which the work could be successfully started.

Are the labouring classes a fit object of Co-operation?

* 2. Now it might be asked, are the mill-hands, who are a steadily growing class in this country among the labouring population, a fit object for co-operative movement both on account of their habits and their economic position? My firm answer to this question is in the affirmative. In my opinion, the condition of our labouring classes does not materially differ from the condition of our agriculturists. These tally in their main features, and a detailed examination of these will show that if co-operation could be successfully launched, in mitigating the miseries of the agriculturists, there is no reason why our labouring classes should not be made to reap the benefits of co-operation if its man-making principles be made applicable to their daily life. *

A Comparison.

The mill-hand is not better educated than his agricultural contemporary; in his habits of business, wider outlook, thrift, temperance, and forethought he is not the superior of his brother, the cultivator; the mill employees or the labouring classes are as dull as the

agriculturists in their capacity to comprehend how their present position badly needs improvement, mainly, at their own hands, and their ability to take the initiative in making even a slow beginning without outside aid in this respect is practically nil. The poverty and improvidence of one find an exact parallel in the indigence and the spendthrift habits of the other; both are compelled to borrow mostly for their real ordinary needs from the Sowkars or money-lenders that charge them usurious interest on their loans, not always without sufficient justification; and the result of these circumstances is that his indebtedness becomes chronic. This condition of the Indian peasant is described by Mr. H. R. Crosthwaite, Registrar of Co-operative Societies in Central Provinces, as "an economic malady of long standing, an insidious disease but an exceedingly dangerous one which must, in the end, prove fatal unless vigorously and continuously treated. The symptoms are complicated, and if the diagnosis is to be correct, attention must first be directed to the causes at the root of the trouble." What is true of the poor Indian peasants is almost true of the labouring classes.

The difficulties in the way.

4. Granting, however, that the application of co-operation to the daily life of the mill-hands is logically sound, it might further be questioned whether there exist insuperable difficulties that beset the path and that render the work risky and uncertain of success. In replying to this objection I venture to state that while recognizing that there are difficulties attending such an attempt—and there is no effort that is absolutely free from difficulties and risks—they are not of such a nature that we should altogether leave the question as one out of the pale of practical solution. Let us examine the nature of the difficulties. The ignorance of the mill-hand, his habits of intemperance, his lack of thrift, his feeble sense of responsibility, his weak credit, his unsteadiness which makes him leave his service more often than he really ought, and lastly, his want of attachment to his mill, are some of the defects that are alleged to exist in the character of the mill-worker. I have no sufficient data to institute a true comparison between the life of the mill-hands in the Western countries and the life of the mill-hands in India. But it must be readily admitted that the Western mill-labourer and cultivator is more educated, disciplined, watchful over his interests than his contemporary in India to-day is.

The Teachings of the History of Co-operation.

5. But we find from the history of co-operation that at the commencement of the movement in Western countries like England, Germany, Italy, Denmark, Ireland, etc., etc., the labouring classes and the agriculturists were in an almost hopeless plight. But with the gradual diffusion of the principles of co-operation among the masses of labourers engaged in various industries, as the result of the self-reliant efforts put forth by those whom the shoe of poverty pinched, assisted by the disinterested attempts of public-spirited workers whose name was legion, new hope dawned on the horizon and the prospects became bright to them. Thus the present improved economic condition of these classes and their keen and intelligent interest in their own well-being are largely the outcome of the spread of co-operative and other educational endeavours made by those who were touched by their condition.

Information of 100 Mill-hands.

6. But the Indian mill-hand, hemmed in on all sides by the abovementioned disqualifications, entertains no ambition of getting his position bettered, and he more or less resigns himself to his lot. But my belief is that if we gradually take them in hand the work of helping them out of their present economic depression is sure to yield good fruit. I tried to collect detailed information of 100 mill-hands working in four mills in Bombay situated in two localities distinct from each other, *vis.*, Chinchpokali and Tardeo, and the following summary will be found interesting. The average age of a mill-hand is 32·96; 80 of these have come from the Konkan districts, whereas the remaining 20 hailed from the Deccan districts. The average period of his stay in Bombay is 17·37 years; and during this period they have changed their service only 2·37 times; but 37 men have stuck to their first service, 41 changed it owing to low pay, and 22 had to change owing to sickness. Out of these 100 mill-hands, 67 are unable to read and write, 8 can only sign their names, but the remaining 25 can both read and write well. Owing to several causes mill-hands shift their lodgings and every man changes it on an average 2·46 times during the period of 17 years' stay. But there is a large number among them that stick to one service and one abode. The monthly earnings of these 100 men show an average of Rs. 20·17, while the monthly average expenditure of a mill-hand's family is Rs. 20·31. The members of some mill-hands' families work in the mills. Out of 100 mill-hands' families only 49 families have additional income, which works an average of Rs. 15 a month. Out of this number, 35 mill-hands go to their native place for one month every year; 13 persons go for one month in two years; 14 of them spend a month at their native place in three years; 6 persons go for one month in four years; three persons leave Bombay for one month in five years; while the remaining 29 scarcely go or do not go out of Bombay at all. A mill-hand has an average of 3·77 persons in his family. Out of 100 mill-hands 45 are total abstainers, 23 drink occasionally, while the remaining 32 are confirmed drunkards. Out of these 100 mill-hands

25 persons have no debts; but the remaining 75 have borrowed to the extent of Rs. 7,827, or an average of Rs. 104 per mill-hand. There are various rates of interest charged on these loans, ranging from 12 per cent. to 75 per cent. The better class mill-hand gets loans at a lower rate of interest, that is, 12 to 25 per cent.; but the majority of them have to pay 75 per cent. or one anna per rupee per month. The duration of these debts extends from 6 months to 30 years, and the major portion is repayable within 2 years. This amount of Rs. 7,827 has been borrowed for various purposes—Rs. 1,337 for the maintenance of the family; Rs. 3,795 for marriage; Rs. 120 for agricultural purposes; Rs. 1,200 for paying off ancestral debts; Rs. 1,250 were borrowed during the period of sickness or for funeral expenses or for performing last rites of the deceased relations, and only Rs. 125 were borrowed for litigation.

Four Mill-hands' Societies in Bombay.

7. The above analysis will set forth that the problem of the improvement of the mill-hands' economic condition by means of co-operation is not quite beyond hope. His mental horizon is sure to widen with the expansion of the system of elementary education, without which no thorough improvement is possible. But, even in the present state of vast illiteracy of the masses, Co-operative Credit Societies during the last eight years have materially contributed towards the improvement of the agricultural class; nearly 350,000 agriculturists have so far become members of about 8,000 rural societies and have used nearly two crores of rupees in one year for their agricultural needs. Surely if some systematic work had been begun for a labouring class like the mill-hands some progress might have been made. Co-operation has been able to influence a few small industries in some places but the progress is very little. As for mill-hands, nowhere has any effort been put forth except in Bombay Presidency, in which there exist only four small societies. In Bombay Sir Vithaldas started last year a Co-operative Credit Society of unlimited liability in his Western India Mills on Chinchpokali side. There are 203 members, but no women among them. There are no deposits from members themselves. The Society borrowed Rs. 1,149 from the Bombay Central Co-operative Bank at 8 per cent. Small amounts are given as loan on personal security of two sureties to members at 3 pies per rupee per month, which work at $8\frac{1}{2}$ per cent. and are recovered in six months by easy instalments of from Rs. 2 to Rs. 4 per month, which are regularly paid. These loans were made, first, for making up the deficiency of pay; secondly, for payments of Marwadis' debts; thirdly, for sickness; and, fourthly, for meeting demands from their native place. There have been no defaults. Three members went away without giving their addresses, but their dues were realized from their sureties. During the past 9 or 10 months Rs. 1,361 were given away as loans, and the amount of interest realized is Rs. 314. After paying the interest on the borrowed capital and other charges, this society has Rs. 305 as its capital, including the income of entrance fee of annas 8 per member. Thus, though the working of this society leaves much room for improvement, it is beyond doubt that it has benefited its members considerably. *Tardeo Mill-hands Society.*—In November last just with a view to try an experiment of teaching co-operation to mill-hands outside the mill, a humble and a very cautious beginning was made by me. After explaining to them the principles and history of co-operation in Western countries and in India at regular four or five meetings a Co-operative Credit Society of limited liability was formed with 11 members. The number is now raised to 17, including one woman. Each member has to buy at least one share of Rs. 10, the amount of which is paid by monthly instalments of Re. 1. After a member has fully paid his or her share amount, compulsory deposit of annas 8 is to be paid per month. The better class members were asked to make deposit. In May last a beginning was made to give loans to members and the transactions of this little society have been very regular and satisfactory. There are regular monthly meetings which are well-attended. Till 11th of August 1913, Rs. 143 were realized as share capital and Rs. 12-7-0 as entrance fees and miscellaneous charges, Rs. 49-8-0 were received as deposits from 7 members and two outside women. Five loans of the value of Rs. 160 have been given, two for marriage, two for redeeming old debts, and one for going to native place; in three months by regular instalments Rs. 50 have been received back with interest on account of these five loans. There have been no default or delays in payment and no complaints about recovery. Members prefer the Co-operative Credit Society to the Provident Fund or to the Postal Savings Banks. Now that the members have understood the nature of the work, more members will be admitted and more loans will be given. Thus the transactions of this tiny society without a pie from outside, amount to Rs. 254-10-3. The third society organized for the benefit of the mill-hands is at Broach called the Broach Industrial Mill Employees Urban Co-operative Credit Society, Unlimited. It was started in July 1911 by Mr. Umbashankar Mulji, a leading member of the Bar and the agent of the mill. Every employee of the mill from the Manager downwards has to enlist himself as a member of this society. Re. 1 is charged as entrance fee. There are no rules for compulsory deposits. There is a store department for which each member has to pay annas two a month; any member or mill operative can buy his provisions at cost price. In addition to the Credit and Store Departments, there is a tea shop and a hotel attached to the establishment where members can partake of good tea and wholesome meals, members of this society get loans at $9\frac{3}{8}$ per cent. and receive 7 per cent. as interest on the fixed deposits of their savings. At the beginning of April 1913 the total membership was 899; the capital of the society amounted to Rs. 4,541; 4,767 loans were made and Rs. 21,488 were advanced in the course of one year

and the turn-over came up to Rs. 21,564 during the last year and the profits amount to Rs. 473-4-0 and the reserve fund which includes entrance fee and profits now amounts to Rs. 1,600. The working of this society affords a fair illustration of how co-operation can help mill-hands in some of their needs. But with option to join, with greater co-operative education, and with more intelligent interest on the part of the people this society will be a good model of mill co-operation. The fourth Co-operative Society is in Belgaum District at the Gokák Mills and is thriving under the supervision of Rao Saheb Shivamurti G. Kanbargimath and has a capital of Rs. 1,915. Its work is "supplemented by an unregistered co-operative grocery store situated in the mill compound."

Mill-hands' intelligent interest is the key to success.

8. The above outline of the four mill-hands' societies will evince that a successful beginning could be made to spread co-operation among this class with slow and cautious steps in a place like Bombay. Difficulties there are and there will be and there may be risks also; yet they need not overawe the workers; they must, however, be boldly faced. But the real key to success is the intelligent interest of the mill-hands, to create which a well-planned scheme of co-operative education by lectures and practical work will have to be adopted. The mill-hands, when they are told of the benefits of the co-operative methods of work to secure the needful financial accommodation, express their willingness. The 100 mill-hands from whom information was gathered have, when questioned, expressed, without exception, a desire to join a Co-operative Credit Society, a Co-operative Store, and a Co-operative Insurance Society. Of course, much importance cannot be attached to such a desire; yet this declaration can be safely taken as an indication of the fact that if mill-owners and the other well-wishers of these people interest themselves in this question, there will be an encouraging response on the part of the mill-operatives and that they will gradually lend themselves to be educated, trained, and disciplined co-operatively. This is the sure way to success. If this part of the work be neglected or not sufficiently emphasized, it will degenerate into charity or benevolence, and co-operation is neither charity nor philanthropy, but pure business carried on the basis of self-help, thrift, and mutual trust.

The Mill-owners' initiative.

9. In this way, if the intelligent interest of the mill-hands be coupled with the hearty co-operation of the mill-owners, it should not be difficult at all to commence the work. But one thing is certain that the mill-managers must take the initiative assisted by a band of disinterested co-operators. In this connection, I consulted a few leading mill-owners and co-operators in Bombay and outside who are known for their public spirit and I am glad to say all of them have encouraged me by promising their enthusiastic support if a modest scheme for undertaking such work be submitted to them. Mr. H. R. Greaves, the Sheriff of Bombay, who has 7 mills under his control writes "After hearing your views, I shall be very pleased indeed to give you any support I can for the furtherance of the object you have in view." Dr. Stanley Reed who takes very keen interest in the growth of co-operative movement writes as follows: "With regard to joining your committee, I do not see that I can do much; but if it will be of any assistance to you for me to join I will do so with the greatest pleasure." The Hon'ble Sir Chinubhai Madhavlal, Bart., the leader of the Ahmedabad mill-owners, writes as follows: "I have carefully read the copy of the 'Note' sent by you along with your letter of the 17th instant and I approve of the principle described therein. You will agree with me that in order to put this principle in practice it will require some manipulation to suit the peculiar circumstances of each place." Sir Vithaldas Thakarsey says: "I shall be glad to associate in any movement which has for its object to take practical steps for educating the mill-hands in the principles of co-operation; and you may depend upon my full support in the movement." The Hon'ble Sir Fazulbhoy Currimbhoy writes: "On perusal of your paper I find myself in agreement with your views, and I shall be glad to co-operate with you if my help would be of any use." The Hon'ble Mr. Lallubhai Samaldas writes: "I really believe that if proper efforts were made by enthusiasts like yourself to inculcate ideas of co-operation amongst the vast mill-hand population of Bombay, as an immediate result there would at least be about 50 people in a locality convinced of the benefits of co-operation and ready to form themselves into a Co-operative Society. Such a society would be a centre of education and would be a means for converting other mill-hands. It is acknowledged on all hands that the major portion of the mill-hands population is hopelessly in debt, having to pay interest up to 75 per cent. or so. The society would charge interest at rates lower even than one-fourth of this and enable the members to liquidate all their old debts. The details may be worked out by a small committee, which, I am given to understand, you are thinking of forming. A store worked on a co-operative basis may be started in connection with the society, but that may be undertaken if the movement shows signs of success. I hope that you will secure the earnest co-operation of the mill-owners you have consulted, and that ere long co-operation will bring as great a relief to our urban labouring classes as it has already brought to the rural-working classes in many places." Mr. Chunilal V. Mehta writes: "I think your idea regarding co-operation among the Bombay mill-hands is an excellent one and it wants persevering enthusiasts like you to carry it out. I shall be glad to give you what assistance I can." Mr. Jehangir Petit writes: "I hereby authorize you to put my name along with the names

you mentioned yesterday—as one of the Committee for the proposed Co-operative Credit Society that you want to start among the mill-hands of Bombay. Of course, as arranged, you are to send me the details of the scheme, before it is made public." Mr. Purushotamdas Thakordas gladly promises to help the movement. Mr. Hansraj Pragji Thakarsey writes: "I am glad to see that you have taken up the work of co-operation amongst the poor mill-hands. I am willing to help you in what little I can do." As suggested in the opinions of the mill-owners quoted above a small Committee for the first year will be formed in Bombay to work out an unambitious programme of starting a few Credit Societies on right lines. If these succeed, store co-operation may be then taken in hand to be soon followed by Co-operative Insurance for sickness. But these may not be taken all at once and a very cautious beginning might be made to ensure success which, with the education of the people in the principles of co-operation, with good management, and with the hearty support of the mill-owners, it is not difficult to achieve. It need hardly be added that the formation of such societies in a mill will not, in any way, interfere with the working of the mill, but on the contrary will secure greater attachment and discipline on the part of the mill-hands. Mr. Ambashankar Mulji of Broach, who has successfully run a mill-hands' society and has thus experience of this work, writes to me: "In my opinion there is no objection if mills advanced loans to better establish their workmen and thus to promote their own interest." Thus it is clear that such work is twice blessed. It blesseth the poor mill-labourer directly and it also blesseth the generous mill-owner indirectly.

, *Definite proposals.*

10. With a view, therefore, to receive suggestions from those fellow-workers who carry on organized efforts in this field I offer a few definite proposals for the formation of Co-operative Credit Societies for mill-hands:—

(1) A mill should be selected in which will be found a large number of needy mill-hands who are sick of being indebted and some of whom are able to read and write.

(2) Mill-owners should find out a few volunteers who would assist them in delivering about half a dozen lectures and lantern shows on the movement of co-operation, its progress in the West and in India, and its possibilities for the poor mill-hands. They should also explain the by-laws and the working of such a society.

(3) When a dozen mill-hands intelligently agree to form such a society, it should be started preferably in a mill.

(4) Its affairs should be managed by a Managing Committee of its own members with certain limitations.

(5) There should be a Board of supervisors to guide, supervise, and control the transactions of the Managing Committee of the society in respect of loans from outsiders and to members. The Board should consist of five persons; one of them should be the mill agent, the other should either be the Manager or the head Jobber, the third should be a Pleader, the fourth should be an Accountant, and the fifth should be a preacher of co-operation.

(6) As far as possible, the society should not be considered a part of the mill-machinery, but its useful adjunct so as to secure the greatest educational effect.

(7) Membership ought not to be made compulsory, but members should be attracted after careful selection by preaching, moral persuasion, and the example of their fellow-workers. Women should be included among members.

(8) It should be a limited liability society in order to secure greater and more direct financial interest of the mill-hands concerned.

(9) There should be a proportionate liability extending over two years.

(10) The capital should be raised partly by the shares of members to be paid in small monthly instalments, partly by the fixed deposits from those members who are better off, partly by the compulsory small savings of members provided for in the by-laws after the share money has been paid, and partly by proportionate loans or deposits from the mill-owners and lastly by donations.

(11) Outside loans should, as a rule, bear half the rate of interest charged to members on loans made by the society to them.

(12) There should be two classes of loans; short term loans for ordinary needs, and long term loans for redeeming lands or liquidating old debts. In addition to the usual procedure of taking two sureties there should be collateral security on long term loans.

(13) The next step to this should be a Co-operative Store, first to deal in few articles, to be worked on the principles of the Rochdale Pioneers. Profits should be converted into shares.

(14) Further step should be a Co-operative Hotel or a Refreshment Room.

- (15) The last step should be Co-operative Insurance.
- (16) The Central Committee formed to guide the policy of such work should engage two paid servants to daily keep themselves in touch with the working of the societies by visiting the Secretary, by attending their meetings, by inspecting the accounts and by advising the committee.
- (17) Government inspection and audit should be quarterly.
- (18) In the beginning Government should give some loan for over a period of five years at a moderate rate of interest.

APPENDIX IX.

On the Limitation of Loans to Rural Societies according to their needs.

The cultivator, both in the Deccan and Gujarát, is at present in somewhat needy circumstances, and involved more or less in debt. Before 1860 there was very little indebtedness from the simple reason that the cultivator had no property and no credit, because the Government land was assessed from year to year and it had therefore no market value. From 1850 onwards Government introduced the survey and settlement of Government lands; and the rates were to be in force for thirty years, and then they were to be revised according to certain fixed principles. Produce at this time was very cheap, Jowar costing less than one rupee per Bengal maund; then came the American War which raised the price of cotton to an enormous extent and along with it, the price of other commodities also rose. While this lasted every one seemed to be doing well and the standard of living rose to a certain extent. Then after the peace was concluded, the price of cotton fell and the price of other commodities also fell. The less provident among the cultivators were now in difficulties, but they discovered that the Government land they held had great value and some of them began to mortgage it and raised money, which they soon squandered. This took place to a larger extent in the Deccan than in Gujarát, and the agrarian riots took place. Thus the gift by Government of a fixed tenure of land and a reduced assessment resulted in the ruin of the thoughtless cultivator.

2. The Deccan Agriculturist Act was made to prevent the wholesale transfer of land from the cultivating to the money-lending classes, but it destroyed credit altogether, and things had come to a difficult pass, when the idea of Agricultural Banks, under the form of Co-operative Credit Societies, was started as a solution of the difficulty. At present it gives promise of better success than its predecessor, but its operations must be carried on with caution.

3. If the improvident cultivator were to get as much money as he asked for, he would certainly spend it recklessly and the debt would remain undischarged. No doubt the rules require the committee to look after the manner in which the money is spent, but once a man has obtained the money he can evade their scrutiny. I have heard of one instance where the majority of members looked upon the money obtained as a loan by the society as so much booty to be shared equally by all the members, and not for granting loans according to the requirements of each member. It is therefore necessary to ascertain the amount required by each member, (1) for annual expense of cultivation, (2) for occasional want, such as purchase of bullocks, sinking wells, etc., and (3) for liquidation of old debts.

4. The requirement under the first sub-head can be ascertained by obtaining from the village records the total area of land cultivated by the members of the rural society, the acreage of dry crop, rice and irrigated land being shown separately. From this acreage the total estimated cost of cultivation can be found and the society can be allowed to have from $\frac{1}{4}$ to $\frac{1}{2}$ such cost for the annual loan.

5. The requirement under the second sub-head will vary from year to year and will have to be ascertained annually by the Inspector of the District Union. The amount should be kept down as much as possible and only necessary improvements sanctioned.

6. The requirement under the third head should be ascertained as soon as the society shows stability and funds supplied on condition that no new debts are to be incurred except during a famine year. During such a year only the interest on the loans will be paid and the payment of all instalments will be suspended.

7. When the requirements under the above head are ascertained, the society might meet the first requirement from its deposits. If the deposits are not sufficient for the purpose, the District Union will supply what is required. The money will be lent to the cultivator for 7 to 10 months and the whole amount is to be recovered as soon as the produce is sold. Ordinarily the same amount will be required during the next year. The rural society therefore takes the money to the District Union together with the interest and receives it back again for the next year's loans.

8. Loans for the second and third requirement cannot be paid off in one year and they must be repayable in 2 to 10 years. The District Union will ascertain the proper amounts needed and supply funds as far as it is able, when it has no funds available it will recommend the society for a loan to the Bombay Central Co-operative Bank, Limited.

9. In those districts where no District Union exists, the Honorary Organizer may be asked to collect the data, and the loans should be granted according to his recommendation.

K. G. DESAI,

Honorary Organizer, Co-operative Societies, Surat District.

APPENDIX X.

Common Defects found in Co-operative Societies and how to remedy them.

Gentlemen, you all know the immense benefits derived from the co-operative movement. It is not my object here to expatiate what the movement has done, is doing and hopes to accomplish in the near future. If I am asked to give my opinion as to the best movement on foot in India, I should say: "The Co-operative movement". It has relieved the agriculturists, encouraged the industrious, redeemed the indebted, besides creating workers and willing hands to spread the movement.

Now I wish to deal with "The defects found in Co-operative Societies and how to remedy them". It is really a difficult subject, as the defects pointed out here may not be the same, or even may not exist, in other districts, as they are to depend on local circumstances and vary more or less with the civilisation, and also there may arise difference of opinion as to the remedies suggested by me here.

Defective Organization.

To begin a thing right is very essential for the future development and successful progress. If we trace the causes of dissatisfactory working of societies, we invariably find that the unhappy result is due to the bad beginning. Societies are started where the people did not want them, where none of them understood what Co-operation meant. True that it is difficult to make all of them understand the Principles of Co-operation, still there should be one man to realise or at least to have faith in the words of the person who tries to organize a society there.

The existence of most of the good societies is due to the official help, but in the like manner the existence of many of the bad societies is due to it, where official help from below the rank of a Deputy Collector was degenerated into pressure. The inducement of a free grant of Government loan helped most to increase the number of societies, whose only aim and object was to take advantage of the free grant.

It is impossible for the Registrar to know about the successful working of the societies, while at the time of registering them, as he is to depend upon the reports of officials, Honorary Organizers and others who wish to create a society. The only remedy I wish to suggest is, that the official and non-official persons should not wish simply to increase the number of societies, but to keep before their mental vision the future well-being of them. If the originators had exercised the same amount of care in looking after the societies as they did in starting them, the list of the cancelled societies would have been very poor.

Management.

• Good management will surmount the difficulties brought about by the defective organization to a greater extent. The management, which is wholly in the hands of the members of the managing committee, is responsible for the future good or bad society. Invariably the Chairman is the ruling figure. His will is law. It is because other members either don't take sufficient interest or don't assert their claims to have their hands in the management. In fact most of the societies are dominated by one man. This one man is the prominent person of the village found out by the officials, or by the Honorary Organizer, while at the time of starting the society, without whose help the society would not have come into existence. The remaining members are content with being called the Panchas, signing account books and other papers whenever they are told to do so. In such cases meetings of the managing committee are not held except in paper. •

Much mismanagement is the result as the loans are often advanced to the members for the purpose of recovering bad debts of the prominent person or the persons with inadequate security. In such cases collection work becomes very slack. In one case the Secretary was the master of the society. Although the society belonged to a Taluka town, the members of the managing committee did not know that the Secretary was their servant.

that they were empowered to remove him. Some members lack in moral courage, to refuse membership or a loan asked by bad or irregular members. And where the societies are under the control of timid though unselfish persons, suffer very much from want of funds as such persons who are generally rich men are afraid of the unlimited liability and therefore unwilling to borrow from outsiders.

Book-keeping.

Account-keeping also is one of the defects found in co-operative societies in the beginning of their lives. The secretaries don't know how to write accounts and in many cases where opportunity was not given either to the Honorary Organizer or to an official of the department to attend the first general meeting by the person who originally organized the society for fear of losing a portion of the credit in the formation of the society, accounts are not properly written.

I may give an instance of how accounts are written in some such societies. The deposits were collected while forwarding the application for registering the society, and were sent to the Taluka Treasury. After registration the working was begun: withdrawing the money from the said place. Instead of crediting the amount to the deposit khata of individual members, the Secretary wrote in the day book, that so many rupees were received from the Taluka Treasury or from such and such person, who actually handed over the money to him. The difficulty is more intense while at the time of preparing yearly returns, which take a good deal of time of the officials of the department in mending them.

The instruction leaflets and the circulars issued from time to time by the department are plain enough even to train a raw man for the work with full information. Book-keeping requires some skill and if the members of the managing committee or the Secretary care to read thoroughly all the papers sent to them, including their own by-laws, the working will be much easier.

There is another remedy, and an effective remedy too, suggested by Mr. Ewbank, of appointing a paid man for a group of, say, a dozen societies to instruct and superintend them, being paid by the same societies. I think the Registrar will put forward his scheme in its complete form for the acceptance of the Conference. In the first year of the society's life, careful supervision as to the account-writing and conducting the business is very necessary.

Other defects.

Needy societies don't get loans at the time when they are mostly in need of money, as they have to wait for a longer period, before the loan from the Bombay Central Bank comes to their aid.

When a society requires a loan for supplying seeds to the members at the sowing season, the loan asked for is generally received at the time of harvest season after a long inquiry. The necessity of District Banks is keenly felt, for the want of which the existence of many societies is not of much use as it is always inconvenient to borrow from outsiders.

These District Banks or Unions will be a further step in the progress of the movement. They will receive deposits from the affiliated societies, and lend them money whenever they are in need of a loan. These unions may appoint inspectors, one for a group of 10 to 20 societies, to inspect and audit their accounts and to give them all necessary help required from time to time. The societies for whose benefit the inspector is appointed by the union should remunerate such a person partly or fully as the case may be.

These unions will serve as banker and equaliser of local excess and want of cash, and will be in a better condition to know the actual state of things of a society by the arrangement of having direct hand in the inspection and audit and even in management of the societies. They may very well serve as an intermediary for obtaining credit from the Bombay Central Bank or from any other source.

Conclusion.

The number of defects is rather great, because educationally India is far behind other countries where the movement has made rapid progress. Here societies, I mean rural Co-operative Credit Societies, are started by the prominent persons, the Zamindar, Patil, Kulkarni, money-lender and petty shop-keeper, not with a view to benefit themselves, but to help the needy, and in fact generally they don't make use of the society for themselves at least in its infancy and until funds are increased.

The persons—cultivators—who are really benefitted by the formation of the society are ignorant and therefore unwilling to start a society, as they are asked to promise to deposit some money while signing the application for registering the society. And such people only join the society when they are told to pay entrance fee and borrow a loan from the society. It is only after one or two years of successful working of the society that the farmers begin to have faith in the institution, and realize the benefit when they are actually profited by it. It is on this account they have no hand in the management, being incapable of starting and conducting the business themselves, never think that the society and they are one.

The masses, ignorant as they are, it is difficult and sometimes impossible to convince them that co-operation is help from within and therefore a boon. Very often I am questioned while preaching the co-operation movement—"Well, sir, you ask us to join together, collect funds, borrow money from outsiders or from the Central Bank, and lend out the same to the needy people, *i.e.*, ourselves, but you or others are not going to help us directly and there we don't want your society, which is a worthless thing to be attempted by poor people like us, and we shall have our own way of borrowing and supply in our wants, as we have done up till now, saving thereby so much botheration all the while."

It is no wonder then that this should be the case, when the masses are buried in ignorance, conservatism and poverty, the list of defects is rather long on account of three things, *viz.*, societies are started for the benefit of the needy, financed by the well-to-do and managed by the wise men of the village.

For the deficiency of self-help, self-reliance and mutual trust on the part of the masses, there is semi-philanthropic spirit on the part of the moneyed men. Had it not been for this and for the assiduous efforts of Government, the movement would not have taken root here, where it is really making rapid progress.

If Government were to take off their hands to-day, I am afraid that the working of the societies would stand still in no time, as the masses have not sufficient faith in the rich and the intelligent, which is really a painful truth that requires to be mended.

The condition described above is more or less typical of the rural societies and the rural population of the Bijapur District. It behoves us all to put our heads together to study how many of the remedies we can bring into force to render the people more helpful and self-dependent co-operators.

S. J. DESHMUKH,

Honorary Organizer, Co-operative Societies,
Bijapur District.

APPENDIX XI.

Common defects found in Co-operative Societies and how to remedy them.

The defects noticed in Co-operative Societies may be broadly classified into (1) those of organization and (2) those incidental to internal management.

Under defects of organization may be cited:—

- (1) Combination of heterogeneous elements.
- (2) Infliction of unlimited liability in societies for rural tracts.
- (3) Complicated code of by-laws.
- (4) Imposition of transactions somewhat dissimilar to local practice.
- (5) Unlimited latitude for membership without any ratio between capital and number of members.
- (6) Formation of societies under mistaken ideas.

2. I propose to review these causes in the reverse order and take No. 6 first. Under this head there is again a sub-division, *viz.*, (a) Formation through official influence and (b) Formation more or less spontaneous.

3. It cannot be denied that in India spontaneity is universally lacking. I do not at all disapprove of the idea of using official influence in organizing societies—the efforts of Honorary Organizers being included in this category. At the same time I cannot help thinking that in such organization the true co-operative principle—*One for all and all for one*—is usually lost sight of; and promiscuity runs prominently through almost all societies so formed. Good people and bad forced to combine, leaving no option to choose; and the door is open for anybody and everybody to form an outwardly homogeneous combination; but internally it is disunited and a spirit of party feeling generally runs under an apparently calm surface.

4. In societies more or less spontaneous the start is often made by a few needy busy-bodies who secure a following by specious promises and the hope of a long purse from Government or other sources. To serve their own ends the management is practically in their hands, though outwardly it is shown as if even the humblest member is represented. In many societies of this class no opportunity is lost to exhibit one or two low-class people as belonging to the managing board. And the greater the show of this class of democratic Government the stronger the suspicion that at the root of it there is only limited co-operation to serve particular ends.

5. In neither form of societies can true co-operation be evident unless the responsibility of members is clearly explained. The true test of this is evidenced when persons grouped in societies can confide in each other. If this is attained, presumably the whole problem is solved. In other countries this is a means to the end. In India probably we are striving in the co-operative organization to secure mutual confidence. Consequently it will take years before mutual confidence is established. And as that factor is the keystone of the co-operative edifice we must wait long enough to see it firmly supported.

6. The reason for want of mutual confidence is undoubtedly the disintegration of villages. The stress often laid on the homogeneity of village life and the praise bestowed on the success of co-operative societies on this basis is more apparent than real. That people do include themselves in co-operative societies cannot be gainsaid. But the inclusion is more for want of resource and an additional expedient to raise money than for pure co-operation. They go to the Credit Co-operative Society with the same motives that impel them to resort to the Bania. They treat the institution as another form devised by Government for the distribution of Tagai or some other cheap money. There is consequently little evidence of that union of forces for the building up of credit of which one hears so much in European countries.

7. The faulty formation obviously gives the people no ideal. Some maintain the society in order to please the officers—others resort to it as a means of obtaining temporary relief, but none dream of the probabilities of thrift and independence likely to follow from its co-operative organization. Probably very few look at it beyond a sort of humdrum business to be kept in shape to escape the notice of the Inspector and to be used for self as far as funds permit without caring for the oversight of other men's affairs in order to see that funds are safe and well used.

8. As must naturally happen, there are usually wholesale renewals or only paper transactions, and everybody being indebted to the society and himself abusing the funds scarcely thinks himself safe to investigate other men's affairs much less to insist on punctuality, being himself inclined to waive off payment as far as may be safe.

9. I have treated of No. 6 so far but it also disposes of No. 1 incidentally, and I do not wish to add any remarks except to hope that, as pointed out by me in my note read before the last conference, the question of equality of status claims the earnest attention of organizers.

10. Let me say as regards No. 5 that the fault is inherent in the process by which societies are formed. For people who do not combine of their own accord, but are forced by circumstances to do so, have scarcely the independence to limit their membership or to select their clients and co-adjutors in a co-operative business.

11. No. 4 may be dismissed in a few words. The by-laws of a society enjoin that at least one or more independent sureties must be forthcoming to vouch for the proper investment of money and its safe return when the purpose for which it is drawn is served. The want of cohesion among the members and the natural distrust about each other makes this provision difficult in practice. A borrower is often inclined to be independent and is readier to offer his land as security in rural societies. But then there is the Registration Act which must be respected. No doubt the Registration Act serves to save the illiterate borrower from fraudulent involvement in a transaction on which his thumb mark may be easily obtained. But at the same time there is the trouble to get these documents registered. And this process, which involves journeys to considerable distances and entails loss of time which the honorary committee or its staff is not inclined to undertake, is not always found to be suitable. Again the inadequacy of funds may result in locking up the only security worth pledging and hinder his business by inability to get further capital. Such troubles often induce a substantial agriculturist to prefer dealing with the Bania even at the cost of the usurious practices to an institution which accommodated him neither adequately nor leniently.

12. About No. 3 I have only to say that while a simple set of rules has its own drawbacks a long list of rules serves only to confuse and often to make their observance hopeless. A golden mean is the best and I would take exception to several by-laws which often hinder business, such as a restriction on long term loans, the revision of the by-laws and the quorums for meetings, and the notices of the meetings and other formalities of the business which even well-organized societies in towns are unable to carry into effect.

13. I have already touched this point in my note referred to above. I wish to add that the greater advantage must be taken to form limited liability societies composed of well-to-do people and one or more unlimited liability societies in the same villages (1) to promote truer co-operation, (2) to bring out the hidden wealth of the locality to be applicable to local needs, (3) to establish a relative measure of confidence, (4) to remove the bugbear of the unlimited liability which has hitherto served to shut out the really serviceable element in business.

14. I have in that note suggested the creation of parent societies first and then the societies through whom the benefits of co-operation through unlimited liability organization

are to permeate and I shall adhere to this view in the hope of creating capital before the credit is democratised.

15. I now proceed with the other class of defects, *viz.*, those incidental to the internal management of societies.

Assuming that the organization is reasonably perfect, the first question with which we are confronted is the selection of the Managing Committee. This is a vital point and the selection often decides what sort of development we may expect. Generally in rural societies, often in urban ones, the promoters of a society enjoy a monopoly of the management sometimes because there are no other good men available but often by the prescriptive right of having taken the lead and having exerted for the society.

16. There would theoretically be an advantage in having an experienced body at the head of affairs, and no doubt in joint stock concerns an executive body is frequently preferred to be composed of men of known business merits provided they are otherwise qualified to have a seat on the directorate. But in a co-operative society there ought to be a fair representation, and I would prefer a frequent change in the constitution of the committee more for the sake of safety than for anything else. I would go so far as to suggest that the election of the same persons on the committee should be accepted with a degree of suspicion. And where no election is resorted to and a committee continued on sufferance it may be taken as a sign of doubtful vitality and must be interfered with by the Registrar in so far as to appoint one or two *ex-officio* members that he may be able to select in the locality, simply as a safeguard that the affairs and the safety of the society do not suffer.

17. Next to the question of securing a committee comes the selection of a suitable staff to carry on the routine of business. The service of a co-operative society is generally honorary and for the first few years is almost entirely unremunerated. The consequence is that it is impossible to secure any competent person to do this work, and the choice generally falls on the school master or the kulkarni who are often the literate persons and just enough to keep the ball rolling. The choice either of the school master, who generally is disinclined to do the work, or the kulkarni, has never except in a few cases proved of much value. The need of a competent man who should be the servant and not the master of the society cannot be too strongly emphasised. Perhaps the unions which happily are showing signs of being evolved may solve this difficulty. But before such a gap is filled up through the medium of the business a trained staff certified by the Registrar to be competent and paid for by one or more societies is an imperative need.

18. Given a good committee and a competent clerk a co-operative society is seemingly well equipped and there need be nothing further to desire except the supervision, advice and guidance which Government is amply providing for. I should like only to suggest that in providing such supervision reasonable caution is observed in preventing the complete obliteration of the picture which in the fable recorded by Goldsmith was the result by allowing every street walker to correct with the brush any part which he thought defective.

19. The question of sufficiency of capital and its relation to members' needs, and their extent of assets, are being grappled by Government and the sympathetic public in their own way, and these questions must adjust themselves according to the law of supply and demand and the course of business. They cannot, I am afraid, be decided by hard and fast rules. I do not therefore wish to discuss them here.

20. There are other questions of internal management which seem to call for some notice, and accordingly I beg leave to outline them here even at the risk of transgressing the limits usually allowed for a conference note. They are:—

The society should have a free latitude to decide the interest rate on loans and deposits provided there is a reasonable ratio between the one and the other.

The society may have the opinion of enhancing the limit prescribed in the by-laws for the maximum of a loan relatively with the enhanced capital which the general body can raise and the number of the members in the society. If necessary a proviso may be added that no maximum be raised beyond four times the amount arrived at by dividing the maximum capital by the number of members and that no maximum shall be altered except once a year. Under present arrangements a society is pinned down to rates of interest proposed in the by-laws which are not alterable except by the tedious process of amendment laid down in the by-laws in deference to the rules under the Act. Similarly the increased credit of a society evidenced by the extent of its capital must judiciously be employed in the interest of members and should not be subject to a tardy process of revision of by-laws. I believe that the proviso suggested by me will sufficiently curtail abuse and as every change must be reported to the Registrar, he can take objection to any maximum proposed if it does not fulfil the conditions here suggested.

APPENDIX XII.

On desirability of exempting District Banks from section 5 (b) of Act II of 1912 and of removing the disabilities from which the District Urban Co-operative Credit Societies suffer.

Owing to my close connection since their organization with the Broach District (now called Broach Co-operative Bank) and the Northern Gujarát (located at Ahmedabad) Co-operative Credit Urban Societies, I have had ample opportunities of watching their progress. The former has been in existence for more than six and the latter two years. The maximum capital which each is authorized to raise by shares is Rs. 3,00,000 for the former and Rs. 10,00,000 for the latter, but the amount so raised up to to-day by the former is Rs. 33,800 and by the latter Rs. 20,600. The value of each share of both the societies is Rs. 100. The Broach Society's shares are fully paid up, whereas the Northern Gujarát has sold 487 shares, but the holders of 161 have not as yet paid the second call of Rs. 25. That society has not made a third call of Rs. 50 so the shares are only partially paid up. I have not before me the figures regarding the Surat District Co-operative Society, but from what I have heard the progress made by it in the disposal of its shares is not encouraging, though it is as old as the Broach District Society.

2. It may be pertinently asked by any enquirer taking an interest in the progress of co-operative movement as to why people keep aloof from investing their money in Co-operative Societies when capital is rapidly subscribed for Banks, Mills and Companies floated by private persons without any direct or indirect help from Government and without the privileges which have been given to societies by Act II of 1912. The off-hand answer to such an enquiry is that these societies are not popular. Why? because of certain disabilities; unnecessarily prohibitive restrictions; and the aloofness of the rich people, who have money to invest, owing to limited profits which the shares of Co-operative Societies give them without a scope for borrowing according to their requirements.

3. It is to be remembered that the bulk of the population is poor and they have no money to buy a share but they need money to carry on their business and to purchase necessities of life. It is not possible to raise capital out of them, but capital has to be raised from elsewhere to provide them with. The middle and wealthy classes have therefore to be depended upon. I have not got the census figures of the poor, middle and rich classes but I take roughly 65 per cent. of the population as poor, 33 per cent. belonging to the middle class and 2 per cent. rich. Again of the middle class population a large majority is able only to make the two ends meet, so there is a small population who have some savings to invest. Of this Government officers in the Provincial Civil Services and subordinate officers such as Mamlatdars and Aval Karkuns and officers of corresponding rank are prohibited by Government from purchasing shares of co-operative societies, though they can possess shares of other joint stock companies. Thus several hundreds of people who can afford to buy shares and who have faith in them are shut out from co-operative societies and their aloofness is interpreted by many as the intention of Government to protect their officers from ruin and loss which the yet unstable co-operative societies are likely to cause, though the real intention of Government is quite different. They do not wish any interference by Government officers and desire that the spirit of co-operation should be cultivated by the people themselves. The intentions of Government are perfectly honest and noble but there is a class of people which is never satisfied with frank and honest explanations and give colour in a way which at once strikes at the confidence of simple people. I am therefore respectfully, but strongly, of opinion that the restriction should be removed as early as possible, but the Government officers may, instead, be prohibited from acting on the managing committees, though, personally, I do not see any advantage in such a prohibition. The experience gained in the administration of the Co-operative Societies has shown that the Government officers of the Revenue Department have had to help the societies indirectly and for many years to come it will have to be sought and given.

4. The 2 per cent. of the rich population are perfectly indifferent to the Co-operative Societies. I have personally called on many such persons in Ahmedabad and Broach to request them to take up shares and deposit some money in the Urban Societies at their two stations. Some were kind enough to oblige me by purchasing a few shares but in regard to deposits I was invariably politely told that they required their funds for their own business concerns. I was astonished to hear that persons who were actually rolling in wealth had not 5,000 rupees to deposit in the Co-operative Society by way of inspiring peoples' confidence in them and helping the cause of co-operation. But human nature rules the tendencies of rich as well as poor equally. Nay, the greater the refinement the more the sensitiveness—smaller the wealth, less the ambition. The wealthy people are all engaged in big industries, and they are perhaps more calculating than a poor man who has nothing to calculate. The short time within which any amount of capital of a projected Joint Stock Company is subscribed furnishes ample food for reflection as to the causes which operate against the progress of Urban Co-operative Societies, and the principal cause is the limit of Rs. 1,000 up to which only a person can purchase shares of a Co-operative Society, under section 5 of Act II of 1912. This restriction has greatly retarded the raising of share capital. Rich people buy shares not merely for the sake of investment but to earn profits from fluctuation of the prices. The bulk of the share capital of a Joint Stock Company is

taken up by the promoters and the remainder by the public and in less than a year, the shares are in the market at same premium. In the case of Co-operative Societies of Ahmedabad and Broach, the promoters could not take up shares worth more than Rs. 1,000 each. A much larger number of purchasers is required to take up the 10,000 and 3,000 shares of the respective society, the result is that the share registers cannot be closed and the shares are not in the market though these societies have been working for the last 2 and 6 years respectively. I think the Surat Urban Society is also equally unfortunate and I am sure that the Bombay Central Co-operative Bank would not have met with the same success that it has if it had not been exempted by the local Government under section 45 of Act II of 1912 from the restriction imposed by section 5 thereof.

5. It is fully recognized by the public that in organizing Co-operative Societies, Government are acting with the best of motives and that they wish in all earnestness to instil in the people the virtue of Co-operation. But the move is new to this country and therefore the people have to be taken into confidence. They have full faith in the stability of Government and institutions managed or guaranteed by them. They prefer to deposit in the Post Office Savings Bank and the Bombay Bank and invest in Government securities, Port Trust bonds, and the Bank of Bombay shares though the interest is less, because of the Government guarantees. The shares of the Bombay Co-operative Central Bank were also taken up, as I believe, on account of Government guarantee of 4 per cent. interest. The Northern Gujarát paid a dividend of 5 per cent. last year, the Broach District of 6 per cent. and I believe the Surat District Union is not paying less. Such a guarantee, if given in regard to the shares of the District Urban Societies will at once raise confidence in the minds of the people and with the exemption from the operation of section 5 of Act II of 1912, enable the District Societies to raise their share capital to the full extent in no time and their shares will soon float in the market. Concessions will also bring in more deposits and the societies will be able to help considerably the cause of co-operation.

6. I will venture to take this opportunity to allude to one more point which to some extent has an important bearing on the prosperity of these societies. Government have been pleased to invite the attention of the officers named in Government Resolution, Revenue Department, No. 2303, dated the 11th March 1910, to the fact that in other provinces courts of wards invest money with Co-operative Credit Societies and have requested the officers concerned to be so good as to consider the advisability of so investing funds in their charge as favourably as circumstances permit. Mr. E. Maconochie, the Collector of Dhárwár, is the only officer to my knowledge who has respected the orders of Government by depositing more than Rs. 5,000 on account of a minor's estate in the Northern Gujarát Co-operative Society. I had approached other officers for similar patronage, but was not successful. This attitude of the officers is contrary to the wishes of Government and likely to raise speculation in the minds of the people as to the solvency of the Society. If Government officers themselves remain aloof, it would not be logical to blame the people. The societies require nursing in their infancy. If they are not helped in their babyhood when they cannot stand upon their own legs, it passes one's comprehension when they are to be helped. When they grow old they will stand on their own strength, but it is now that practical sympathy is required.

To sum up: Government may be pleased—

1. To remove the restriction placed against certain Government officers purchasing shares of Co-operative Societies.
2. To exempt them from the limit imposed by section 5 (b) of Act II of 1912 in regard to the shares which may be given to a person.
3. To guarantee 4 per cent. interest (which Government will never have occasion to fulfil).
4. To insist on all officers concerned to give practical effect to the orders contained in Government Resolution No. 2302, dated the 11th March 1910.

MOTILAL CHUNILAL,
Honorary Organizer, Co-operative Societies, Gujarát.

APPENDIX XIII.

Co-operative Societies and Village Sanitation.

I know I have been writing something which to many of my countrymen would appear to be impracticable. Up till now efforts were being made to improve the economic condition of people of limited means by starting Co-operative Credit Societies alone as teaching institutions in the science of co-operation. Act No. 10 of 1904 only facilitated and regulated the formation and working of the Co-operative Credit Societies. But the advance made by our people during a few years in adopting co-operative methods induced and encouraged the Government of India to extend the principles of co-operation and facilitate the formation of co-operative societies, not only for improving credit but for all those purposes whose object is promotion of thrift and self-help among agriculturists, artisans, and persons of limited means, and for this purpose Act No. 10 of 1904

was re-cast and Act No. 2 of 1912 passed into law. Thus productive and distributive societies, societies for sale and purchase, and all those societies for various other purposes which have been playing an important part in improving the means to human comfort in the civilized countries of the world now come within the arena of our co-operative campaign. Section 34 of Act II of 1912 also allows a portion of the profits of the societies to be spent for any charitable object in the locality in which the society is situated, thus showing that the object of a co-operative society is not only to add material strength to the people, but to achieve still more higher and nobler objects of general utility and happiness to the people. It is not false that health begets wealth, and we are all familiar with the wise men's saying "first health and then wealth." Co-operative principles are not narrow. They are really elastic. If co-operation can be successfully applied to increase the wealth-producing power of an individual, we can, with equal success, use it as a means to supply us with health to invigorate us to produce wealth. What we want is organization on co-operative lines and we shall have the desired result. Thus if we apply the principles of co-operation to improve the sanitation of the localities in which we live, there is no reason why we should not reap the benefit of it. Food, water, air and light are the necessities of our life. Any impurities in food, water and air spoil our health and produce diseases. Want of sufficient light also tells upon our health.

Co-operative societies have already been formed in many civilized countries of the world to improve the quality and nature of the food-stuffs, such as grain societies, seed societies, dairy societies, societies for cattle-breeding, sheep-breeding, eggs, fruits, and vegetables. Besides improving the quality and quantity of the articles, these societies also take care to see that the articles sent in the market for human consumption are free from any impurities and are congenial to health.

Food Stuffs.

Co-operative housing associations, besides seeing that the houseless are housed, see that the houses they occupy fulfil all the requirements of sanitation for the supply of free air and light.

Free and pure air and supply of light.

If societies for water-supply be formed, we can supply good drinking water to people just as societies for the supply of electric light and power supply light and power in many places in France.

Water.

Societies for people in sickness and for prevention of diseases virtually promote the objects of sanitation. But it is not the main object of many of the above kinds of societies to improve sanitation, though in carrying out the principal object of the society they greatly help to improve the sanitation of the localities in which they work. To me it also appears that there are many practical difficulties in the way of our having such societies all over the country in the near future, chief among which is the dense ignorance of our people and the want of unison amongst us owing to differences of religion, caste and creeds.

Societies for the prevention of diseases, etc.

The richer classes of the people and also the educated take care that their residences and surroundings are always clean and sanitary. It is only the poorer people and people of limited means that need the care of all well-wishers.

Poorer people and men of limited means ought to be our first care.

We have in India 1,571 towns of more than 5,000 inhabitants and 602,411 villages. The total number of those living in the towns is naturally far less than those living in the villages. Government has been bestowing much of its care to the improvement of sanitation in cities and towns through Municipal Bodies and District and Taluka Local Boards, who spend a considerable portion of their revenue for establishing dispensaries, for the supply of medicine, and for sinking wells, and improving tanks to secure pure drinkable water in the mofussil. Medicines are supplied through village officers in times of cholera and other epidemics. By the passing of the Village Sanitation Act Government has made it easy for all villages to improve their sanitation. Several notified areas and sanitary committees have been formed in places where Municipalities could not be constituted. But these several attempts have not reached the very door of all the villagers. The Municipalities, Local Boards, notified areas and village sanitary committees are no doubt intended to be popular institutions. They are corporations based no doubt on the principle of co-operation, but not on co-operation as a science. Though popular institutions, they are not genuinely popular and hence they are not co-operative. They are looked upon as *quasi-Government* institutions subject to the control and supervision of the Government.

Municipalities Local Boards, etc.

The object of this note is to think over and if possible suggest certain methods by which we can make the question of village sanitation the genuinely popular work of every householder living under the influence of co-operative societies. We cannot expect every town and village to have a municipality or sanitary board. We have the difficulty of securing proper men to conduct these institutions, keeping their accounts, and lastly there is the difficulty of securing adequate funds to conduct such boards, and hence we see very few municipalities and sanitary boards in the country. Looking to the Bombay Presidency, we had in 1910 only 157 municipalities among 332 towns of a population of over 5,000 souls. We had 310 village sanitary committees and 12 notified areas among the total of 40,675 villages. Thus for every 1,000 villages and towns we have only one institution to look to Local sanitation. From this we cannot say that improvement of village

Real object of the note.

sanitation is being neglected. I have already referred to the noble work that is being done by the Municipalities and Local Boards. Vaccination against small-pox and inoculation against plague have been popularised at State cost. The latest report of the Sanitary Commissioner with the Government of India shows that during two years preceding 1911 the Imperial Government's grants about sanitation have aggregated 181½ lakhs of rupees. Thus the work of improving sanitation in villages and towns is being carried on by the Government in the country. But India is a continent in itself with its teeming millions of people, nearly 30 crores, and scattered in different and distant areas. We have to fight against caste and religious superstitions. But we cannot deny the fact that it is these superstitions, based no doubt on true principles of sanitation and embodied in our religious scriptures and dumbly followed by many millions of people, that have kept up the sanitation of many places in our land. Thus we have the following agencies working among us to improve the sanitation of the country:—

1. The people in their own crude ways and through superstitious notions, whose primary object is to keep themselves and their localities in a sanitary condition to prevent human diseases.
2. The Municipalities, Local Boards, notified areas, village sanitary committees, and the Cantonment Committees.
3. The Government that has been spending a large amount of money from Imperial and Provincial revenues through its Sanitary Departments and with grants to Municipalities and Local Boards.

The result obtained from Government efforts through several Boards and Committees legally constituted and the Department of Sanitation are most encouraging. According to Viscount Middleton (House of Lords, June 9th, 1913) "in 1860 the loss of British soldiers in India was at the rate of sixty-nine per thousand annually, whereas now it was only four and a fraction. The death-rate in the native jails, which used to be ninety-six per thousand, was now only seventeen. When they came to the civil population they found that the position was different." The Marquess of Crewe in reply to Viscount Middleton, said "in regard to the question of mortality, it was necessary to remember the comparative ease with which they could deal with those over whom they had control as compared with the endless difficulty of dealing with the scattered rural committees over whom they had only slender control." But he said "it was permissible to look forward to a time when there would be a definite local sanitary service all over India."

Thus though the above agencies have been working strenuously and zealously to improve the sanitary condition of the country in general, the effects have not been far-reaching. It is not possible for any Government on earth to take up the work of improving sanitation in each and every place in its own hands. It is not only impracticable but impossible, because it is expensive beyond imagination. Our people complain in many municipal districts of the taxes, which they say are heavy. I personally know as a member of a Municipal Board that people wanted many improvements, but were unwilling for extra taxation. There are also difficulties in the way of raising small funds for maintaining notified areas and village sanitary committees, though the Government is willing to help them with funds. Thus if we think of improving the sanitary condition of almost every place in India, which every well-wisher of humanity in general will do, we have, in addition to the above agencies, the following remedies open to us:—

1. To form societies for production of food-stuffs, whatever be their primary object, their secondary object to be the supplying for human consumption healthy and pure articles of food, such as dairy societies, societies for cattle-breeding, seed-breeding, corn societies, societies for fruits and vegetables, etc.
2. Societies for sale of articles of human food, whose object also should be the same.
3. Societies for people in sickness, and prevention of human diseases, such as malaria, cholera, plague, consumption, etc.
4. Housing associations, whose object should be, besides securing houses to the homeless, to see that the houses fulfil all the sanitary requirements of ventilation, etc.
5. Societies for the supply of pure water.
6. Other kinds of societies which will directly or indirectly promote sanitation.

But so far as our vision goes, looking to the backwardness of the whole Indian population and especially those living in the rural districts, we cannot expect to have the above kinds of societies in almost every place in India as in France, Germany, Denmark, Japan and many other advanced countries. Therefore the question of improving village sanitation becomes intricate and difficult of solution. We know the object of a co-operative society is philanthropic and humanitarian. The people are to be taught this first and then they are to be taught how they can extend and utilize co-operative methods to improve village sanitation and then alone I think we can witness improvement in sanitation, wherever these societies will be at work. I have already said that popular institutions will achieve much and that Municipalities, Local Boards, etc., are not

strictly popular. As regards village sanitary committees, even Deputy Sanitary Commissioners have expressed an opinion that very little sanitary work is done by them and that there is a want of supervision of methods in which these committees carry out the duties entrusted to them. They have also expressed an opinion that these committees are on the whole unpopular and the contributions are only voluntary in name. It is truly said that many deaths occur in India from diseases which are preventable, but in practice have proved to be otherwise owing to numerous difficulties already referred to. I think the dawn of the co-operative movement in India will offer the best medium through which we can overcome all our difficulties. The real seeds of co-operative movement must be sown among the rural population. We must enter into their hearts by a genuine love for them and preach to them that by co-operation they can improve the sanitary condition of their localities, and in places where there are co-operative societies improvement of local sanitation must be one of the objects of the societies. This improvement of sanitation must be based on the principle of self and mutual help. The bylaws of many societies provide that after setting apart a certain portion of their profits to carry to the reserve fund, a portion of the remainder may be spent for any object of public utility in the locality in which the society is situated. When available, this amount may be used for our purpose. I know, under the present state of the societies in India the amount thus left will be very small. I know it is also very difficult to raise even a small fund for any such purpose in many villages. But people are not ignorant of their own interests. If we suggest to the people certain methods by which, without any burden to their purse, they can keep their localities clean and healthy and prevent diseases, I think the people will at once accept those methods. Thus if you substitute voluntary labour for voluntary subscriptions or taxation and if heads of the co-operative movement in every village, I mean the Panchas, who carry an amount of influence just to induce the members of the co-operative societies to pledge themselves to abide by the rules of the society with regard to sanitary measures to be undertaken and followed by the members of the society and to be incorporated in their bylaws, I think, as the Marquess of Crewe said in the House of Lords on June 9th last, "the day is not far distant when it will be permissible for us to look forward to a time when there would be a definite local sanitary service all over India."

Voluntary labour
for voluntary sub-
scription.

The idea of utilizing voluntary labour in place of voluntary contribution was suggested to me by Mr. G. R. Balekundri, now District Deputy Collector, Dharwar, and Secretary of the District Sanitary Association. Mr. Balekundri, while Mamlatdar of Kod and Gadag in the Dharwar District, actually tried the experiment of inducing the people to supply voluntary labour for the purpose of improving the sanitation of their own villages. While on tour in his taluka, he began to preach to the people the value of sanitation. He preached to the people not as Mamlatdar and Magistrate of the taluka, but as a friend and well-wisher of the people. He thus took the people into his confidence. He made the individual house-owners to believe that to keep their houses and precincts clean would bring happiness to themselves and their children. Each house-owner was made to level the road in front of his house as far as it extended and murum it by murum brought in his own cart, and to dig a gutter by the side of the road in front of his house. He was asked to store his cow-dung and kachara in some place outside the village. When a few people did this and their houses and the road in front of them gave an appearance of cleanliness and beauty their neighbours were also awakened. They thought it a disgrace if they did not do the same. The idea spread into the whole village and in a few months' time the villages were not what they were previously in matter of sanitation. There are 159 villages in the Kod Taluka and the experiment was tried in almost every village with success. The villages of Kaddur, Madlur, Shidenur, Sudambi, Kerwadi, Masanagi and Rattiholi are very good examples of the success of such an experiment, which was based on the principle of self and mutual help to improve village sanitation.

I now give another instance of a similar experiment on co-operative lines tried at Harlapur in the Gadag Taluka of the Dharwar District by the same officer of Government. The key-note of the success of the experiment in the village was sympathetic treatment of the people and advice for their common good. The system began to be worked on 1st February 1912 and within about a month's time all the streets in the village were levelled and murumed. The total measurement of these streets was about two miles in length. Under ordinary circumstances this would have cost about Rs. 2,000. In this village narrow roads have been widened and wide gutters have been dug up to carry the rain water, and people, in their enthusiasm to make their own streets appear better than others, have removed their katas and set back their walls. These instances are quite sufficient to convince anybody that co-operative methods, if properly applied in the improvement of village sanitation, will work wonders in transforming insanitary villages into good sanitary localities. Thus I have illustrated by concrete examples how village sanitation can be improved by co-operative methods.

The chief diseases responsible for heavy mortality are cholera, small-pox, plague, fever, dysentery and respiratory diseases. Preventive remedies for all these are well-known. General sanitation, strict watch on drinking water-supplies, frequent treatment of wells with potassium permanganate, and segregation of patients and disinfection of their belongings are remedies well known for the prevention of cholera. Inoculation

and vaccination are the remedies against plague and small-pox. Impure water is responsible for many fevers. Supply of pure air prevents diseases of the respiratory organs. To combat and curb all these diseases, recently several associations have been formed in the Bombay Presidency, chief among whom is the Bombay Sanitary Association. The Dharwar District Sanitary Association also has been doing immense good to the people. Following Dharwar and Bombay, I tried in my own humble way to start a Sanitary Association for the Belgaum District, and we have been able to start one under the name of the Belgaum District Sanitary Association with the kind advice and patronage of R. C. Brown, Esquire, I.C.S., Collector of Belgaum. Mr. S. S. Deshpande, Huzur Deputy Collector, Belgaum, who has experience of sanitary methods for the improvement of village sanitation, has been the Chief Secretary of our Association. The duties of the members of the Bombay Sanitary Association and of the other Associations, as laid down by their rules are to visit the insanitary places in their district and advise the people how to improve the condition of their rooms by ventilation, white-washing, disposal of refuse, condition of floor, sanitary conveniences, seeking medical aid in times of sickness, keeping their rooms free from accumulations of dust and refuse, and advise them on the precautions to be taken in case of infectious diseases such as small-pox, plague, cholera, phthisis, etc., nursing of the sick, personal hygiene and cleanliness. The associations above named also educate the people in sanitary principles by the distribution of leaflets and pamphlets on sanitary subjects and by demonstrations with the aid of magic-lantern and slides. I am told there is a Sanitary Association at Dhulia. These associations have on the list of their members the best local medical experts, officials and non-officials as well. In fact these associations conduct their work under the able advice and guidance of these experts. If co-operative societies become the members of these associations they will be supplied with all literature with regard to sanitary matters published by these associations the knowledge of which they can diffuse among their members. Under Government Resolution No. 2040 of 2nd May 1910, Government has taken steps to insure adequate stocks of permanganate of potash, phenyle and drugs to be used on the occasion of the outbreak of cholera to be kept in the Kacheri of the Taluka Head-quarters to be distributed in villages. If Government be requested to distribute these through the co-operative societies I think they will reach more homes and localities than at present, whenever necessary. Anti-malarial operations conducted by the Government may also be conducted through these societies. Anti-plague inoculation may be popularized through them. I have myself tried this among the members of the Belgaum Weavers' Society with success. In 1912 when plague broke out in Belgaum it was among the weavers living in a part of the town called "Khasbag" where inoculation was first tried. About 300 of these were inoculated and not a single person among them had an attack of plague or died; but we experienced a great difficulty in inducing those who were not members of the co-operative society to get themselves inoculated. Thus co-operative societies can safely be utilized for the improvement of village sanitation. As a Secretary of the District Sanitary Association, Belgaum, and Honorary Organizer of Co-operative Societies, I have been pushing forward the idea of improving village sanitation through co-operative societies. In some villages along with co-operative societies village sanitary committees are being formed. In others, the system of voluntary labour for voluntary subscriptions for the improvement of village sanitation is being introduced. Though I am not in a position now to give any good results of the experiment, I am quite sure I will be able to do so within a short period.

R. G. NAIK.

APPENDIX XIV.

Co-operation and Village Sanitation.

The principles underlying co-operation are, as is universally acknowledged, the amelioration of the social condition by a concurrence of increasing members of associates in a common interest, the division of labour and a union and gradation of labour towards productive ends to bring about the maintenance and extension of industry, or in all matters of common weal. The co-operative societies springing from the above bases, though attended with varied fortune, have greatly increased in number and in amount of business in recent years. The co-operative societies are generally of half a dozen kinds; among them may be mentioned the following:—

1. Societies of credit or banking.
2. Societies of Consumption.
3. Societies of Agriculture.
4. Societies of mutual help in all that concerns the welfare of the several classes of associates.

2. I may say that in our Presidency we have a very large number of credit or banking and agricultural societies and less of those of consumption. Now let me analyse the objects of the different societies. The object of banking societies is to open accounts of credit with their members and advance them loans at a moderate rate of interest and free them from the clutches of tyrannical savkars and recover the amount lent by easy

instalments. Consumption societies are mainly concerned with the buying or selling to the members alone or to members or non-members under different conditions the necessities of life or the raw materials of industry. The foremost and the most important ones are the agricultural societies. These have for their sole object the improvement and encouragement of agriculture by the distribution of the best seeds for sowing, the most profitable ways of disposing of the raw material and by taking precautions to prevent the rayats from running into ruin and penury. You will, however, bear in mind that these classifications are not final. Societies are needed of persons representing the several branches of industry, such as pottery, metal work, carpentry and other kinds of artizanship and textile industry. I need not here dilate upon the necessity of such societies, as weavers have already begun to understand the value of co-operation and have started a number of their own societies and the other classes of artizans will follow suit within a short time. I believe we shall have at no distant date several sorts of societies, which will have varied objects for the common good of the different sections, sanitary co-operative societies, co-operative societies for the prevention of cattle diseases, and infant mortality and several other kinds will gradually spring up.

3. A few years back co-operative societies were not heard of, but during the last few years societies have sprung up in villages and towns, and the rise in their numbers is in geometrical progression from year to year. This phenomenal rise is chiefly due to two causes; the first and foremost of these two is the Government patronage. The several Registrars who have been at the helm of these societies from time to time have all been very sympathetic gentlemen interested in the welfare and prosperity of the people at large and the agriculturists in particular. The public have to thank Government for the selection of such officers. The growth of education among the people with the consequent recognition of the principles and advantages of co-operation have been the second factor. It is true, we have yet to invade a mass of illiteracy. In this matter Government are taking active steps by opening a number of schools in villages and extending the operations of the Educational Department.

4. Gentlemen, let me now turn to the subject of sanitation. This is an all-absorbing topic of the present day. Plague, cholera and small-pox, to name only a few of the epidemics, have made a home in our midst and are carrying away hundreds of thousands of persons every year. In the last Census Report we read that plague was responsible for the death of over a million persons in our Presidency during the intercensal period. It was specially severe in the districts of Satara, Belgaum, Dharwar, Kolhapur, and the S. M. Jahagirs. Does not this reveal an appalling state of things? It behoves, therefore, that every right-minded person should evolve some means to combat the terrible diseases and free the country from their scourge. I may say without hesitation that the formation of village sanitation co-operative societies would go a great way to mitigate and remedy the evil.

5. How far co-operative societies as at present existing can help village sanitation is the next point I wish to touch upon. I think the organization of societies as at present formed is such as to afford every facility to introduce village sanitation through these bodies. It is needless to say that societies are formed of persons of every creed and caste residing in a village, and as they have paved the way for good understanding and unity among the villagers, village sanitation, if entrusted to them by persuasion and encouragement on the part of the District officers, is sure to take deep root and as a result will save thousands of lives that are being swept away annually by recurring epidemics, such as plague, cholera, small-pox, etc. There is no gainsaying the fact that these epidemics appear in a more virulent type and last longer especially in areas where hygienic principles are totally neglected by the people. I know that many of the villages at least in this part of the country are promiscuous by the absence of arrangements to keep the villages clean and much of the refuse one finds heaped close to human habitations and allowed to rot and give rise to many diseases which pest the population from time to time. The prevailing illiteracy among old folk, the peculiar situation of the villages, the overcrowding of houses in a narrow compass of village sites, notwithstanding the growing demand for suitable sites due to the increase in population, the absence of open spaces between houses and gutters and the insufficiency of light and air arrangement in houses, the indifference of the people towards hygienic principles and want of good potable water are so many causes which give rise to disease and the consequent unhappiness among the rural population. Past experience shows that any amount of trouble on the part of Government to bring home the principles of sanitation among villagers has not produced as satisfactory results as could be expected. It is an uphill work in a conservative country like India to introduce any sort of reform or to put into the minds of the people a new idea, howsoever good it might be. Thanks to the praiseworthy exertions of the popular Collector of Dharwar, Mr. Maconochie, who ever since he set his foot in the district has been giving anxious consideration to this important subject, as a result of which he has organized a District Sanitary Association, through the medium of which important information pertinent to the subject is being disseminated among the population by means of pamphlets and lectures, but this sort of effort will no doubt achieve important results, but much more can be done in the matter if the sympathy of the members of the several co-operative societies be enlisted in the matter. The people would readily respond to the appeals of such members since they are all actuated by a

common interest and feeling of brotherhood. The advice given on the subject by them would be more lasting and effective. Besides, the subject would thrive if properly handled by the societies since it involves no additional expenditure to any appreciable extent at the outset and loss of time on the part of the members. As at present formed, the managing committees of the societies meet often to consider their business, concerning the grant of loans, admission of members, and such other cognate matters, and they can at the same time take the opportunity of devoting their energies to this subject for a few minutes and discussing it among themselves and devise means to achieve practical reforms. Each member of the managing committee can be assigned a ward made up of a certain number of houses with instructions to advise the people on hygienic principles at his leisure and see that they are being attended to and acted upon with due promptness. Repeated stubbornness and disobedience may be punished by a gentle rebuke administered cautiously by those who can command some respect in the society. This sort of procedure will, I am pretty confident, work out to a beneficial end. The details as to how the scheme could best be worked out can be drawn up hereafter in case it is resolved to introduce village sanitation through the agency of co-operative societies, which I am sure is the best under the circumstances for achieving results which no amount of time, money, and energy on the part of Government would secure. The several members of the co-operative societies are the members of the district sanitary association and as such receive all important publications on sanitation. The knowledge which is acquired by them by the reading of these publications will help them to give the benefit to the more ignorant of their rural population.

6. In conclusion, if the sole object of co-operative societies be the increase of money in villages and prosperity among the rayats, there is little or no guarantee that wealth will bring cleanliness and a knowledge of sanitation. How many of our wealthy people are in sordid ignorance of the ordinary rules of hygiene and sanitation? and how many fall victim to the ravages of epidemics through ignorance and neglect of sanitary rules! If is therefore essential that co-operative societies, situated as they are in centres of ignorance, but at the same time composed of a fairly intelligent section of the rural population, should also co-operate in such vital matters as village sites, dwellings, ventilation, cleanliness, prevention of diseases, and treatment of women in child-bed, etc.

7. Such being the case, I am confident that in the near future co-operative societies will begin to devote a fraction of their time and money to village sanitation, not only from a philanthropic point of view, but also with the object of saving the lives of their fellow villagers, and sometimes their own relations, who otherwise would succumb to many diseases consequent on the want of sanitary measures.

SHRINIWAS K. RODDA.

APPENDIX XV.

Co-operative Societies and Village Sanitation.

I wish to speak a few words on a subject which, I hold, is supremely important as regards the welfare of those teeming millions who reside in our villages. "Can co-operative societies help in village sanitation?" is the subject which I intend to deal with.

The question of village sanitation is one which unfortunately does not receive as much attention at the hands of the enlightened public as it ought to receive. We often hear much talk, both from the press and the public platforms, about the attempts to be made for increasing the material prosperity of a villager, but no constructive proposals nor useful suggestions have been made for the improvements which will preserve and lengthen his life and on which depends the very enjoyment of his material prosperity. It is only the Government which has given some serious consideration to the problem, but as yet it has not, in my opinion, been able to find out the best and most effective means of solving it. There can be no difference of opinion as to the fact that the entire village population is quite ignorant of the laws of health and its preservation. This fact has been so thoroughly established that it stands in no need of further proof. To remove this ignorance, it has been proposed that education is *only* the remedy. The spread of education is no doubt very valuable and will exercise a very beneficial effect upon the ignorant villagers. But the spread of education to such an extent so that every ordinary villager will be able to understand the value and necessity of sanitation is indeed the question of a very remote future. In the meanwhile what about the thousands of people who yearly fall a prey to innumerable ills brought on by themselves on account of their unhealthy modes of living? Are we to remain silent spectators till education has spread to every nook and corner? I think here is a good case for the principle of the system of co-operative societies to work upon. I go further than this and say that the system of co-operative societies is the best means known *at present* of spreading the true knowledge of the value of sanitation among the ignorant masses. The very nature of the formation of co-operative societies is such that the people themselves are made to act and work without even the least show of official pressure. If the Government takes upon itself to introduce hygienic laws and tries to force them upon the people, their

ignorance and prejudice are sure to frustrate all their efforts. The Indians, especially villagers, appear to me to be a most conservative people. If anything is offered them without any pressing demand from them they are sure to look upon it with great suspicion and every means will be tried to get rid of it. It is only after so many years of British rule that our village people are thinking that education is not the monopoly of a certain set of persons, but that they also are capable of being educated. Government have done their best to make quinine as readily accessible to every villager as possible. But how many villagers make use of it although there is malaria in the village? We see now daily how difficult it is to convince the people of the efficacy and value of anti-plague inoculation as a preventive measure. But I think, and am strongly of opinion, that the spread and formation of co-operative societies would, in all probability, be greatly conducive to the promotion and preservation of public health without creating in the slightest degree any prejudice in the minds of the villagers. Such societies would be the natural vehicles for the spread of such measures as are and will be adopted by Government in the interests of public health. It is a matter of extreme difficulty to make the people aware of the innumerable dangers which often threaten human life and which are the result of their own ignorance and prejudices nurtured and developed from time immemorial. To work against the deep rooted habits of the villagers and their modes of life is indeed a very difficult task. The system of co-operative societies not only removes the superstitions and prejudices, but allows no room for the appearance and growth of such prejudices.

It is common knowledge that there are to be found at least two or three persons who have a great influence over the villagers and in whose words the villagers put implicit confidence. Now if co-operative societies are formed, it is these influential villagers who will be the proper instruments for the spread of hygienic measures since they will themselves be the working members of these societies. In short, I cannot too much impress upon this audience the desirability of making use of the co-operative system for the improvement and preservation of public health in our villages. Of course, it is not necessary to witness here that the success of this system, if adopted, depends entirely upon the whole-hearted action of the members who will constitute the societies. Government should in the first instance prompt the villagers to active work, and under their strict vigilance and careful guidance such societies will no doubt thrive.

Lastly, I should like to recommend that for every four or five villages there should be formed one co-operative society. I am not going to give any detailed scheme here, but what I wish to impress strongly upon your attention is that these societies should not cover a very large area. The prevention of the spread of contagious diseases, the necessity and value of a supply of pure water, introduction of such methods as will prevent the available water being rendered impure, removal of refuse and dung-heaps to a safe distance from the village site instead of allowing them to crop up quite close to the dwellings, and the steps to be adopted by means of periodical pamphlets and lecture for the spread of knowledge regarding hygiene and sanitation—all these are matters which will undoubtedly call for the active work of the co-operative societies, and it is in such matters that these societies, I firmly believe, will be able to render most help in village sanitation.

We are likely to find in each village some public-spirited men and they must start co-operative societies for village sanitation. They can organize amongst themselves to collect funds and the use of it to prevent epidemic diseases, give the necessary help as far as possible to the poor in making good roads, keeping their houses clean, and medicines to the sick. In my humble opinion this system will do wonders in every village and bring the same to a modern system of civilization. We must not seek help from the Government for every little thing when such things can be easily arranged amongst ourselves, and we all know well that the Government are ever ready to guide us in the right path and uphold our sincere work for the public and they will help those who help themselves. Let us then form at once some societies of this nature and do some good towards the village sanitation. I hope our worthy committee will do something in the matter.

SHIVAMURTI SWAMI KANABARGIMATH.

Gokak Falls, 3rd September 1913.

APPENDIX XVI.

Growth of Rural Co-operation in the Deccan and its future goal.

1. It is now pretty well established that the Raiffeisen type of co-operative credit is found suitable to our village societies. By the pooling of credit on the basis of unlimited liability, money can be raised at easy rates of interest. The movement has now got a pretty good start and the public are beginning to take an interest in it and a considerable number of village societies are slowly showing their capacity to conduct business in an orderly and business-like fashion. It is the beginning which is always rather difficult in such cases, and the beginning has been achieved. It is true that

hitherto no society has been able to raise money in the open market, but before this can be done the public have a right to be satisfied that co-operative societies are safe and business-like concerns which can be trusted with the management of capital. This is being slowly done, and the opening of the Bombay Central Bank will soon have the practical effect of putting such village societies in touch with the money market. The point is that now that the merely educative phase of the co-operative movement is over and there is a possibility of any well-managed society getting as large a capital on easy terms as it may want, what shall be the lines of development of a village society? The essence of the present co-operative movement is of course that the people, and especially the agricultural class, shall seek out their own salvation. This movement will acquire real force when it habituates an average cultivator to business methods and makes him honest, self-reliant and competent, so as to inspire good-will and mutual confidence amongst his neighbours and savkars.

2. But before this can be achieved, there are some general considerations which have to be borne in mind for determining the line of advance, which is likely to foster a steady and sustained growth of co-operative movement and make it great and beneficial to a Deccan ryot.

3. It is therefore necessary to determine the factors of rural economy in general, with special reference to the growth of village societies, so that year by year the movement may identify itself, more and more, with the lives and true interest of the cultivators, the essential point being that every line of advance shall be based not only on due appreciation of local conditions, common prejudices and sentiments, but after true study of the economic problems. For instance, the difficulties connected with the distribution of land reflects directly on the supply and requisite capital. Apart from these, it is small use to try to induce improvements, such as new crops, without finding a market for the produce or to introduce improved implements, without arranging for their supply and repair, or to advise people to store more fodder without arranging to overcome the difficulties which prevent people from doing so.

4. Thus it is clear that in any study of the economic condition of a people the agricultural class ought to claim particular attention. The data bearing upon this economic position are regularly collected and published, but owing to complex nature of the problem these diffused data are very often defective. Moreover the classes are neither intelligent nor organized and definite statements can only be made with diffidence and have to be accepted with reservations, which render any fruitful conclusions unreliable. In spite of this disadvantage, the extreme importance of studying the economic condition of the agricultural classes who form a large portion of the total population cannot be gainsaid, and Mr. Keatinge's book on "Rural Economy in the Deccan" enables any one to understand this problem in general.

5. The factors, then, in the case of an average Deccan agriculturist that have to be borne in mind are (1) his dearth of capital, (2) general indebtedness, (3) small holdings, (4) conservative instincts, (5) general illiteracy, (6) unseasonable and scanty rainfall, (7) unbusiness-like habits, and (8) very defective organization of the rural money market.

6. As regards capital, the difficulty in the way of properly financing a farmer on a considerable scale deserves careful consideration. It has to be recognized that the greater part of the farmer's capital is tied up in his land fixtures and stock; the operations necessary to bring in a crop are necessarily prolonged and the turnover is slow. Worst of all, the crop produce is likely to be irregular and uncertain, inasmuch as they depend not only on business considerations, but also on the vagaries of the weather. These considerations necessarily make the capital very shy in the region of scanty and uncertain rainfall like the Deccan. Moreover the capital is also scarce and does not readily discover or embark on new and speculative lines.

7. As regards general indebtedness of agriculturists, the fact is admitted by all and so far palliatives in the shape of special legislation have been only tried, and speaking broadly, there is not much improvement and the chronic state of indebtedness in general has remained stationary. But it is clear that if any real good has to be achieved the problem has to be tackled in a bolder manner than hitherto and will require all the patience, practical and business-like capacity, organization and general tact. Further, no serious attempt appears to have been made to obtain exact data and definite information as regards the actual extent of indebtedness, which at least in the case of co-operative societies is now easy enough, so that practical remedies may be suggested. On this head, however, I wish to repeat my suggestion that the appointment of a good and experienced Sub-Judge for a year or two to investigate and fix the actual indebtedness of members of co-operative societies in any suitable district is likely to go a long way towards remedying this patent defect, and though the advance is bound to be slow and cautious, the labour and cost involved in the process is worth a fair trial.

8. The question of small holdings, the conservative instinct of agriculturists, and other factors above referred to, are admirably dealt with by Mr. Keatinge in his recent book "Rural Economy in the Deccan." And it will suffice for my purpose to indicate the problem as briefly as possible.

9. Mr. Keatinge establishes his theory that most of the holdings in the Deccan are not economic holdings. The majority of them are under 15 acres, and in very many cases the size is so small that the holding is unable to support the cultivator and his family, which constitutes a serious obstacle to effective production or the economical use of labour, and even these small holdings are found frequently scattered throughout the village land. The result is that when a cultivator has got only five or ten acres of unimproved dry-crop land, split up into several plots and situated at a long distance from the village and from each other, he has not got an economic holding. It will not and cannot possibly give him a living for himself and his family. Much less can it leave him anything over to pay his assessment or any interest on his debts. There is no chance for him to develop or improve his property and he can only accept his poverty as due to some unknown cause and grumble indefinitely at the weather and blame his savkars and his Government. Now, what is an economic holding? In the Deccan an ideal economic holding, according to Mr. Keatinge, would consist of 40 to 50 acres of fair land in one block with at least one good irrigation well. The desirable area would vary greatly in different parts according to circumstances. Between the ideal economic holding and the obviously uneconomic holding there are many gradations and it would be easy to fix a standard for any tract.

10. The objects therefore to be achieved are to gradually reduce the numbers of uneconomic holders and to encourage every economic holder on his land and to help him by organizing his credit, reducing his indebtedness, making him advances for his useful and productive objects, and giving him such technical advice and assistance for his cattle and his crops.

11. Analysing the needs of an average Deccan agriculturist and the capital that he can command, the result works out somewhat as follows:—The annual cost of tillage varies from about Rs. 20 to 30 an acre and the net profit in an average good year works out to 3 to 6½ rupees per acre. But his capital will generally consist of his (1) land, and (2) permanent additions and improvements to it, *viz.*, buildings, wells and embankments. His needs are live stock, manure, cash for paying wages and other incidental expenses for mote, and for paying assessment and his debts.

12. Now it is a fact that in the Deccan, land forms mostly the whole of the cultivator's available capital. But it offers a good security for borrowing, even though roughly on an average half of it will be found burdened with debts, which are usually found to become cumulative. In a dry country like the Deccan the prime agricultural necessity is water and where rainfall is scanty the annual produce of the land can be increased tenfold by irrigation, and also an irrigation well will serve as insurance against unemployment in the dry season. Apart from canal irrigation, private enterprise is responsible for some 150,000 wells, irrigating about 350,000 acres. The fact remains, however, that out of 13,000,000 acres cultivated in the Central Division only about 530,000 acres can at present be irrigated, *i. e.*, about 4 per cent. of the whole. In Nagar District this percentage falls to about 2 per cent, Poona 6, Satara 4, Sholapur 2, Nasik 1, Khandesh 1½. The possibilities of large reservoirs are limited, and such as they are, they are being gradually realized. But there is a large field for profitable investment of capital in digging wells in localities where the subsoil water is reasonably near the surface and it has now been pretty well demonstrated that the fields can be vastly improved by making *tals* in suitable places to arrest erosion during heavy rains, and thus retaining in the soil the scanty rainfall. The obvious solution, then, is to construct systematically as many wells as possible wherever canal irrigation is found to be either a very remote possibility or is otherwise found impracticable, so as to eliminate the uncertainty of weather and have a quicker turnover.

13. Turning to live stock, since the famines of 1896-97, 1899-00 and other years of scarcity, the number of cattle has fallen from over four million in 1895 to less than two and a half million in 1901, a fall of two-fifths in the aggregate and of over a half to two-thirds in the case of certain districts like Ahmednagar. The plough cattle in the same period have decreased by 30 to 50 per cent. Now the average of cultivated land in the Deccan amounts to 130,000 acres which gives almost one pair of bullocks to 20 acres. Assuming that the number (as in 1895) of plough cattle is about 137,000 and the nature of the soil which has to be ploughed, *viz.*, light, and medium and black, and putting this variation from 30 acres to 10, this number of plough cattle works out to a pair for each 20 acres of land. However, if this number can be accepted as satisfactory, two considerations have to be borne in mind and these are (1) that a large number of plough cattle are engaged for a great part of the year in working motes on wells and in carting goods, and moreover the assumption that the plough cattle are all efficient is far from being a fact. It may be said without any fear of exaggeration that about 25 per cent. of the so-called plough cattle are practically useless and that another 15 per cent. are very ineffective. The number of work cattle therefore has never been adequate and will now be found to be about 35 to 50 per cent. short in districts like Nagar.

14. On the other hand during the last few years the Deccan seems to be entering on a new period marked by a still higher level of prices, the result being that our own Presidency will be found no longer feeding itself. In a fair year the Presidency shows

a net import of food-stuffs from 1 to 3 crores of rupees, mostly in rice. Export takes place mainly in cotton and oil seeds, which are slowly supplanting field grains largely as field crops. And yet the trade between the different parts of the Deccan is very considerable. Thus the West Deccan receives from the East Deccan large supplies of grain and pulse, and send in return gul, fruit and vegetables. A rise in the price of agricultural products is therefore advantageous to the farmers who produce and disadvantageous to the buyers. However, a small cultivator consumes what he produces and rise in prices cannot affect him as he has little surplus to sell. However, it is to be remembered that a large part of a farmer's produce goes to meet the exorbitant interest on his debts. Thus anything that reduces the price of his produce must hit him hard. Also the system of financing crops of cotton and oil seeds in advance, on terms favourable to the savkars, has the effect of putting the cultivator into the savkars' hands completely. No doubt it is inevitable that the middleman should intercept some part of the value of the crop and yet the marketing losses for want of capital are very considerable. To this have to be added his losses due to lack of organization and the necessity of selling his produce soon after the harvest when the prices are ruling low. And herein comes the real necessity of co-operative marketing. To work out an effective system, suitable to any locality, and to organize and sustain such a broad based co-operative movement, is a task which will require much patience, forethought and management. But there is no doubt that this offers a vast field, promising a great reward.

To sum up, then, my suggestions are—

1. To discourage uneconomic holders and try to raise the number of economic holdings by helping them in several ways.
2. To ascertain the exact value of holdings of members of co-operative societies and the amount of debts with which they are burdened.
3. To dig up wells on a systematic and regular basis so as to convert as many uneconomic holdings into economic ones as may be found possible.
4. To devise the necessary means for carefully ascertaining and redeeming past debts of members of co-operative societies.
5. To try to consolidate the work of co-operative societies and make them business-like concerns, before starting new ones, and by weeding out such of them as are showing no signs of vitality or healthy growth.
6. To consider various phases of village economy and encourage necessary co-operation by the starting of such institutions as may be found suitable and necessary by expert advisers.
7. To take early steps to replenish the depleted agricultural stock in such localities at least wherein it is found to be very deficient.

G. K. CHITALE.

29th July 1913.

APPENDIX XVII.

Resolutions and decisions of the Provincial Co-operative Conference held in Poona on the 19th and 20th September 1913.

Subject.	Resolutions and decisions.
I ...	A vote of thanks to His Excellency for kindly opening the Conference was unanimously passed.
II ...	The Registrar's remarks on subject No. 2 were accepted without discussion.
III ...	Resolved that this Conference approves of the principle underlying the paper placed before it by Sir Vithaldas D. Thackersey and recommends that the Central and District Banks and Unions should try in their own sphere to induce the co-operative societies to persuade their respective members to send their children of school-going age (7—12 years) to school, provided the necessary facility is available in their locality.
IV ...	Mr. Herlekar's paper was recorded.
V ...	Mr. Ramunni's paper was recorded.

Subject.	Resolutions and decisions.
VI	<p>... This Conference is of opinion—</p> <ol style="list-style-type: none"> (1) That the proportion of rent to income paid in growing towns by families of moderate means is unduly high and that it was urgently necessary to form Co-operative Housing Societies on the lines of the Co-partnership Societies in England in order to reduce as much as possible the cost of house accommodation. (2) That cheap capital is a first necessity for the working of such societies in India and that the question of the granting of long term loans to such societies by Government and public bodies is worthy of consideration. (3) That it is desirable to form a Co-operative Housing Association whose objects would be— <ol style="list-style-type: none"> (a) to collect information about Co operative Housing and to promote its application in practice ; (b) to engage in propaganda work by distributing leaflets, by publishing cheap literature on the subject, and by arranging for public meetings ; (c) to organize Co-operative Housing Societies ; (d) to supply advice and render help to such societies as may be formed. (4) That a committee be appointed to take steps to establish such an association and should consist of the following persons :— Sir Vithaldas D. Thackersey, Kt. The Honorable Mr. Lallubhai Samaldas. Mr. S. S. Talmaki, B.A., LL.B. " N. M. Joshi of the Servants of India Society. " P. V. Ramunni. " B. W. Kissan, I.C.S., with authority to co-opt one or two gentlemen who were experts in building matters either from the Improvement Trust or the Corporation, Bombay.
VII	<p>... This Conference is of opinion that—</p> <ol style="list-style-type: none"> (1) A mill should be selected in which will be found a large number of needy mill-hands who are sick of being indebted and some of whom are able to read and write. (2) Mill-owners be requested to organize about half a dozen lectures and lantern shows on the movement of co-operation, its progress in the West and in India, and its possibilities for the poor mill-hands. They should also explain the bylaws and the working of such a society. (3) When a dozen mill-hands intelligently agree to form such a society, it should be started preferably for the employees of one mill. (4) Its affairs should be managed by a managing committee of its own members with certain limitations. (5) The society should not be considered a part of the mill machinery, but as its useful adjunct so as to secure the greatest educational effect. (6) Membership ought not to be made compulsory, but members should be attracted after careful selection by preaching, moral persuasion and example of their fellow-workers. (7) After successfully organizing a co-operative credit society its next step may be a co-operative store, first to deal in a few articles, to be worked on the principles of the Rochdale Pioneers. Profits should be converted into shares.
VIII	<p>... Rao Bahadur K. G. Desai's paper was recorded.</p>
IX	<p>... This Conference is of opinion that the following measures may be adopted as far as possible :—</p> <ol style="list-style-type: none"> (a) Organization of Taluka Conferences. (b) Formation of Taluka Unions for supervision. (c) Appointment of Honorary Organizer for each taluka. (d) One audit and one or more inspections should be made annually in the case of weak societies.
X	<p>... This Conference is of opinion that Government may be moved to exercise their powers under section 46 of Act II of 1912 and authorize the District Co-operative Banks and Unions to sell shares to one individual up to a limit of Rs. 3,000.</p>

Subject.	Resolutions and decisions.
XI ...	<p>This Conference is of opinion—</p> <p>(1) That the co-operative societies be recognized as proper channels for the diffusion of sanitary knowledge among the masses and also for supplying the rural population with prophylactics which Government in their opinion consider it desirable to introduce in villages.</p> <p>(2) That the sub-committee has fully considered the question of the supply of pure milk for the use of big villages and is of opinion that efforts should be encouraged to start societies for the supply of sanitary milk.</p>
XII ...	<p>That the paper might be placed before the next Conference for further consideration.</p>