

ANNUAL REPORT

ON THE

WORKING OF CO-OPERATIVE SOCIETIES

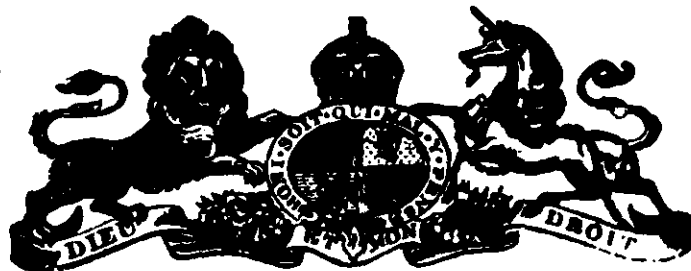
IN THE

PUNJAB

FOR THE FIFTEEN MONTHS ENDING 30th JUNE 1907.

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1907.

**ANNUAL REPORT ON THE WORKING OF
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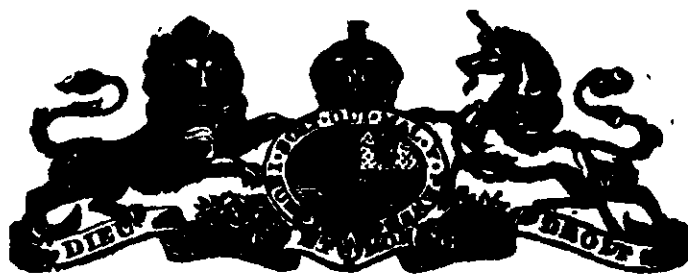
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READ—

Junior Secretary to the Financial Commissioner's No. 749, dated the 29th of October 1907, submitting, with the Financial Commissioner's remarks, the report on the working of co-operative credit societies in the Punjab for the year ending 30th June 1907.

REMARKS—The report on the working of co-operative credit societies in the Punjab, the subject of the present review, covers a period of 15 months ending with the 30th of June 1907. The report was received by Government a month and-a-quarter behind time, and the Registrar's covering letter, explaining the cause of delay, has not been submitted to Government. The report is well arranged, but the Lieutenant-Governor observes that the Financial Commissioner's suggestions regarding the form of report to be described, asked for in paragraph 5 of last year's review, have not been submitted to Government.

2. This report marks a distinct advance in the operations of the Registrar and his staff. During the periods dealt with in the two previous reports the experiment of co-operative banking was in its most rudimentary stage. The first report was one of preliminary organisation and of expectations. In the second considerable progress was reported, but it was impossible to forecast how far the results merely represented a fleeting curiosity regarding the latest experiment of Government, and whether the success of the movement was likely to be transitory or permanent and substantial. Of the 151 societies which had been registered in March 1906, the bulk had come into official existence within two months of the close of the year, and it was not known how far they were mere paper societies whose operations depended upon adventitious assistance from Governmental agencies.

3. But in the present instance we are treading on firmer ground. More than half the societies now enrolled (328) are in full working order, and the Lieutenant-Governor entirely agrees with Mr. Gordon Walker that the rate of progress has been as rapid as could have been expected, or indeed as is desirable. From the outset the policy of Government has been to impress upon the officers in charge of the movement the necessity for caution in their initial operations, and to keep in mind the danger of forcing the growth of the experiment until it has passed beyond the early stages in which the risks of alarming the timid by unwise zeal, of crushing spontaneity by premature official interference or of trying to insist on the acceptance of unsuitable types of societies can hardly be over-estimated. The present report would seem to indicate that the Registrar has kept this policy prominently in view. The concentration of special activity on those areas of the central Punjab with which the movement appeared most congenial, has not involved any relaxation of efforts to sow the seed on less promising soil. And, on the other hand, a definite stage seems to have been arrived at in the selection of a form of society most adapted to the needs of the province.

4. The staff of the Registrar was temporarily reinforced during the year by the deputation of a specially selected Extra Assistant Commissioner, and has since its close been reorganised and, it is hoped, placed in a thoroughly adequate position. The Registrar appears to have been well served by his subordinates, and to have succeeded in eliciting the warm support of many prominent non-official gentlemen, and of some vernacular newspapers. To these co-adjutors in a good cause the Lieutenant-Governor tenders his cordial thanks.

5. At the close of the year under report 174 societies, with a capital of Rs. 2,85,000, were able to shew profits (after in many cases only eighteen months' working) of over Rs. 26,000. Of the capital raised during the period (Rs. 2,37,000) Rs. 85,500 were contributions towards shares, Rs. 93,000 represented deposits and Rs. 43,000 were advances by Government or Sir D. Hamilton. Rupees 2,60,000 were lent by societies, and Rs. 60,000 lent were repaid. The objects for which loans are generally given are enumerated in section XIII (3) of the model rules

submitted with the report, and of these objects four out of six are directly productive. Loans for marriage expenses are reported to be very rare. No action has been necessary against defaulters. The results summarised in this paragraph are the more satisfactory, as the prevalence of plague in the province during the early months of 1907 militated to no inconsiderable extent against the success of the movement.

6. The Lieutenant-Governor has perused with interest the Registrar's remarks on the selection of the type of society most suited to the needs of the province. Experience points to the elimination of two types which do not appear likely to become popular, one that in which the society depends mainly on the deposits or credit of the wealthier members, and the other evolved in Mianwali for the formation of capital by small grain deposits. The latter offers no inducement to the capital of the richer while in the former true co-operation is entirely lacking, the weaker brethren being financed by the philanthropy of the more wealthy. The type of which the Registrar favours is a society in which the members become share-holders by payment of ten compulsory annual instalments. No dividends are declared for ten years, when three-quarters of the profits are divided among the share-holders, the remaining fourth being transferred to the reserve fund, which is made available for the general purposes of the society. These societies usually lend at about 9 per cent. and pay 5 per cent. on fixed deposits. Under this system, which was devised by the pioneers of Gurdaspur, every member has a palpable interest in the society's success, and the prospect of obtaining after ten years what is looked upon in the light of a pension is reported to appeal with great force to the Punjabi peasant.

7. The employment of the reserve fund is *prima facie* the weak spot in the above scheme, but the popularity of the scheme is indicated by the fact that almost 100 out of the 174 active societies are working on it and it appears to possess the all-important feature of supplying an attractive as well as a lucrative inducement to resist the temptation so strong to the Punjabi to spend the proceeds of a good harvest on unremunerative display.

8. Among the other topics of this portion of the report are the remarks made regarding the interest evinced by the women in the success of the societies; the verdict of experience against attempting operations over large areas; and the report of the absence of any desire to found caste or tribal organizations. The opposition of the money-lending classes described in section X of the report was only natural and to be expected, but the determination of the societies to exclude the hereditary financier, shews that the agriculturist is beginning to awaken to the possibility of freeing himself from sole dependence on the bania. The village money-lenders will of course remain and will fulfil a very useful and necessary function, but there are signs that where the co-operative movement has taken root his charges for the loan of money are becoming more fair and reasonable.

9. In section III the report reviews the progress separately by districts. The greatest measure of success has been achieved in the district of Gurdaspur where the people shewed from the first a decided proclivity towards the movement, and the Registrar's efforts were zealously backed up by the District Officer. The praiseworthy enterprize of the small Muhammadan community at Mamrai, which the Registrar brings specially to notice, is most creditable and worthy of imitation. The tahsil of Shakargarh, however, presents a regrettable, though useful, lesson in the danger of an unwise attempt by a zealous but injudicious official prematurely to galvanise the movement into active life before the vital spark had kindled spontaneously, and the Registrar's policy in dealing with these abortive societies meets with the full approval of Government. His remarks regarding the suitability (or the reverse) of the managers also offer much food for reflection. Next to Gurdaspur, Jullundur comes second: and it is interesting to note that here the movement has survived the disappointments resulting from working with the unattractive type of purely deposit societies. Progress in Hoshiarpur and Mianwali continues slowly: a beginning

has been made among the Meos of Gurgaon and the colonists of Lyallpur, and attempts, the success of which is problematical, have been made to start operations in the Rawalpindi division. The Lieutenant-Governor does not understand why nothing appears to have been done in Ambala and Rawalpindi in spite of the remarks in last year's review. The Lieutenant-Governor will also be glad to learn separately from the Financial Commissioner whether there are any indications of the initiation of other useful forms of co-operation such as were alluded to in the concluding paragraph of last year's review.

10. Sir Denzil Ibbetson wishes to record his acknowledgments to Mr. Wilberforce for a most interesting report, the perusal of which he commends to all district officers as a lucid exposition of the lines on which the experiment of co-operative credit is being made in the Punjab. Among officials, he is glad to note the assistance of Major Fox-Strangways, Munshi Firoz Din, and among non-officials to acknowledge the help of the gentlemen mentioned on pages 15 and 16 of the report, and notably of Narain Singh, Zaildar of Tibbur as well as of the Editors of the newspapers mentioned by Mr. Wilberforce.

11. The Lieutenant-Governor accepts the suggestion that the report should be communicated to the vernacular press and will bring to the notice of the Postmaster-General the remarks made in section IV (4) regarding the working of the Savings Bank.

ORDER.—Ordered that a copy of the foregoing remarks be published in the *Punjab Government Gazette* and communicated to the Financial Commissioner, Punjab.

Also that a copy, with a copy of the report and the Financial Commissioner's note thereon, be forwarded to the Government of India, Department of Revenue and Agriculture, and to all Local Governments and Administrations for information.

By order of His Honour the Lieutenant-Governor,

E. D. MACLAGAN,

Chief Secretary to Government, Punjab.

No. 749.

FINANCIAL COMMISSIONER'S OFFICE :
Dated LAHORE, 29th October 1907.

FROM

R. C. BOLSTER, Esquire,
Junior Secretary to the Financial Commissioner, Punjab,

TO

THE HON'BLE MR. E. D. MACLAGAN,
Chief Secretary to Government, Punjab.

SIR,

I am directed to submit the annual report on the working of Co-operative Credit Societies in the Punjab along with 3 copies of the By-laws mentioned in Paragraph II, of Part I, and to convey the following remarks of the Financial Commissioner.

2. The last report submitted by the Registrar of Co-operative Credit Societies was for the year ending March 31st, 1906. In accordance with orders of the Government of India passed upon the recommendations of the Conference of Registrars held in September 1906, the year for the purposes of this annual report now closes on the 30th June, and the present report accordingly covers a period of 15 months. It was due with Government on the 1st October; but, for the reasons given in Mr. Wilberforce's forwarding letter No. 962, dated 10th October 1907, only reached the Financial Commissioner's office in proof form some days after that date.

3. In Part II (1) Mr. Wilberforce gives an account of the progress made during the period covered by the report. The number of Societies registered at the close of the period was 328, of which rather more than half (174) are described as "working actively," while the remainder existed on paper only or are in an inchoate state. The total number registered on 31st March 1906 was 151. Progress is said to have been seriously retarded (i) by the violent and protracted visitation of plague, (ii) by the prevailing unrest and suspicion, and (iii) by the results of the Rabi harvest. The Financial Commissioner thinks that Mr. Wilberforce has probably exaggerated the effects of (ii) and (iii); but as to (i) there can be no doubt that the demoralizing effects of the epidemic must have been felt here as in so many other directions. At the same time Mr. Gordon Walker thinks that with 174 efficient Societies as the result attained up to date there is certainly no reason to complain of the rate of progress.

4. The statements attached to Mr. Wilberforce's report deal, for the reasons given by him in his preliminary note, only with the 174 Societies which are actively working. Apart from the doubtful value that would attach to the accounts of any Societies the management of which has not yet been placed on a satisfactory footing, Mr. Gordon Walker agrees that Mr. Wilberforce's plan presents the movement in a truer perspective than could be attained by the haphazard collection of large quantities of figures relating to nascent or petty Societies. Mr. Wilberforce has very rightly adopted the district as his unit for purposes of classification in the accounts contained in the statements attached to his report. The Balance Sheet shows that at the close of the period under report the 174 Societies controlled a capital of Rs. 2,84,126, inclusive of a sum of Rs. 3,595, due as interest on deposits, and were able to show a profit of Rs. 26,358. In the 15 months under report Rs. 85,517 share capital were subscribed, Rs. 93,353 deposited, Rs. 42,600 lent by Government, and Rs. 1,000 from Sir D. M. Hamilton's fund. The realizations of the 15 months from loans repaid by members (Rs. 60,268) are considered disappointing by Mr. Wilberforce, but the Societies are nevertheless able to show a profit for this period of Rs. 11,626.

5. The Gurdáspur district, which now possesses 68 active Societies with a membership of 11,722 persons and controls a gross capital of Rs. 1,08,925. is easily at the head of the co-operative movement in the Province. Next in importance come Jullundur (44 Societies, membership 2,196, gross capital Rs. 83,514), Lyallpur (16 Societies, membership 375, gross capital Rs. 26,244), and Hosbiárpur (8 Societies, membership 628, gross capital Rs. 20,421). In these districts, also, it will appear that the percentage of failures has been highest, but there seems no doubt that the hopes of ultimate success expressed by Mr. Wilberforce in his last year's report in respect of the two districts just named are well founded. Siálkot and Gujráat also appear to be promising fields for co-operative enterprise, though the movement has not yet taken definite shape in them.

6. Mr. Wilberforce has some interesting remarks to make upon the new type of society which has been lately evolved as most suited to the needs of this Province. The attractiveness of this new type depends, it is to be noted, in a very large measure upon the utilization of the entire reserve fund as working capital, the adoption of which principle is, as Mr. Wilberforce himself observes, if not opposed to the spirit of the Co-operative Credit Societies Act, at least in the nature of an innovation upon accepted theories. Mr. Gordon Walker trusts that the question may form the subject of discussion at the next Conference of Registrars to be held in Calcutta. The desire for self-help and co-operation manifested in unexpected places, *e. g.*, among the Muhammadan Rajputs of Jullundur and the Meos of Gurgáon, and the confidence which Co-operative institutions are beginning to inspire in the money market are very encouraging features of the report.

7. Mr. Wilberforce's discovery that certain managers have been using their official position in order to transfer personal debts due to them to the Societies they manage is not without importance in relation to the proposal to make debts held by arbitrators to be due to Co-operative Credit Societies recoverable as arrears of land revenue. Had the Government of India sanctioned that proposal the temptation to officers of Societies to abuse their position would doubtless have been much increased.

8. There appears some danger in certain cases of the activity of Co-operative Societies outstripping the capabilities of the Post Office Savings Bank to meet withdrawals. The Post Master General would no doubt be willing, if Mr. Wilberforce will represent the matter, to see what can be done to introduce the necessary improvements in the Post Office Savings Bank system.

9. The three Urban Societies call for no special remark, save that, as noticed by Mr. Wilberforce, establishment and printing charges have in one case, that of the "Simla Urban Society", absorbed a very large proportion of the profits.

10. On his staff as now re-organized, the Registrar has 3 Inspectors appointed, whose duty it will be to give assistance to Societies on the spot and exercise a close personal control.

11. Mr. Wilberforce has been fortunate in his helpers, both official and unofficial, and in the co-operation of the Native Press, especially the "Zemindar" and the "Watan".

12. Mr. Wilberforce held charge of the office of Registrar for the period covered by the report short of a little less than six months, during which he was on leave, and Mr. J. P. Thompson acted for him.

13. Mr. Wilberforce has written a clear and careful report. He has conducted his duties with vigour and ability, and, all the circumstances of the period under review being considered, has, the Financial Commissioner thinks, attained a very substantial measure of success.

I have, &c.,

R. C. BOLSTER,

Junior Secretary to Financial Commissioner,
Punjab.

ANNUAL REPORT
ON THE
WORKING OF CO-OPERATIVE CREDIT SOCIETIES
IN THE
PUNJAB,
For the year ending 30th June 1907.

PART I.—RURAL SOCIETIES.

In writing this report I have followed as far as possible the recommendations made by the Registrars at the conference held last September as to the form of annual reports. A slavish adherence to the forms of statements and the different headings would make this report unintelligible or misunderstood. I have therefore deviated therefrom where I have considered it advisable. For instance to lump together in one Provincial Statement the exiguous Mianwali Societies with the prosperous Gurdaspur Societies, to place in one general category successfully working Societies with those of which the transactions are nominal owing to their recent establishment or other reasons, could only tend to give an impression of great mediocrity to the whole mass. Again while there have been successes there have also been disappointments. A general statement would only serve to minimise the importance of both. For these reasons in my report and the statements attached I have given full details of active Societies only. Of those which owing to recent establishment or other causes are not yet in a state of active existence I have given no statistics. I have remarked on their prospects in paragraph IV. I have dealt in a similar fashion with those in course of dissolution. I have also dealt separately with the results and prospects in each district in which any activity has been displayed.

ADMINISTRATIVE AND STAFF.

I. This report deals with a period of 15 months, *i.e.*, from April 1st, 1906 to June 30th, 1907. I held charge of the office of Registrar from April 1st to April 26th, 1906, and from October 18th, 1906, to June 30th, 1907. I spent practically the whole of this time on tour with the exception of some 3 weeks in March and April when I was detained by illness, and the last 6 weeks of the period under report. I also spent about a fortnight in making preparations for my tour after my return from leave on October 18th. Mr. J. P. Thompson officiated from April 27th to October 17th but owing to employment on other duties was only able to spend some 10 days on tour.

My regular staff has consisted of one Personal Assistant on Rs. 100 and one clerk on Rs. 30. They have both done well throughout, although consistently over-worked.

I have also been compelled by circumstances to entertain an irregular staff consisting of two kanungos, one of whom was employed from April 23rd, 1906, and the other from April 29th, 1907. The irregularity of their employment has been condoned by Government. Their services are referred to in my remarks on Gurdaspur, and Sialkot and Gujrat.

My staff which was entirely inadequate has recently been increased and will consist in future of 3 Inspectors recruited generally from Naib-Tabsildars, and two clerks.

Owing to my representations last November Munshi Firoz Din, Extra Assistant Commissioner was placed on special duty under me from January 1st to April 30th. He rendered me most valuable assistance.

WORKING OF SOCIETIES.

II. It has been universally admitted that no co-operative movement can succeed until methods of co-operation are devised which are (1). Their methods and types. suitable to and popular with the people. Experience has shown that in every country these methods vary. For the last 3 years therefore I have attempted to discover the type of Co-operative Society which will recommend itself most strongly to the Punjabi peasant. I never considered that a Society working with sums deposited for short terms by the wealthier agriculturists or borrowed from outside at their risk mainly for the benefit of their poorer brethren would be generally popular or permanent. If Government would be responsible for the recovery of loans such Societies would undoubtedly succeed and soon obtain a monopoly of money-lending. Otherwise based as they are more on philanthropic than on business principles they do not appeal to the interest-loving Hindu, while the Muhammadan refusing as he often does to take any interest on his deposits prefers private to public charity. If such Societies accelerate their progress by borrowing money from the outside market the whole of the liability falls on the wealthier members who though they have all the trouble of management, reap little or nothing of the profits.

The Mianwali type of Society with its small annual grain subscriptions made merely to create some capital which will be large enough eventually to finance its members appeals to some extent to backward Muhammadans but it is not a type of Society which could ever appeal to the more intelligent agriculturist of the Central Punjab. Allowing no interest even on deposits it provides an insufficient incentive for saving especially among the more prosperous agriculturists without whose assistance efficient management is impossible and without whose example no progress can be expected. Neither of these two types of Societies is ever likely to attract the idle capital and large savings of the few wealthy men as well as the small savings of the poorer majority. Until a Society can attract the savings of all classes and encourage thrift it is certainly not the most suitable for the circumstances.

The type of Society now coming into favour in the Punjab is one adopted from the system popularised in Italy by Signor Luzzatti. His system requires every member to acquire by ten monthly instalments at least one share in the Society to give him a tangible interest in its welfare and to provide an incentive to saving. It allows moderately liberal dividends so as to attract capital from all classes. In the new Punjab Societies every member is required to acquire a share or shares according to his status but instalments are ten yearly instead of ten monthly as in Italy. Many Societies have fixed a yearly minimum payment of Rs. 5 and many have fixed no minimum. In the Punjab no dividend will be paid for 10 years, at the expiry of which period the reserve fund will be considered to bear the required proportion to the liabilities and dividends will be distributed. They will not exceed the amount of the yearly instalment till interest on loans has been reduced to 6 per cent. At present the amount paid for purchase of shares is repayable at the end of 10 years though the interest of shareholders and their rights to receive dividends will continue. As confidence in the stability of the Society and appreciation of its advantages increase I hope that this by-law will be altered. Even if not altered the scheme is financially workable. Suppose that in a Society of 80 members whose entrance fee is Re. 1 each, Rs. 1,000 a year is paid towards the purchase of shares for 10 years and lent out regularly at 9 per cent. (the usual rate) the profits of the Society will amount to about Rs. 6,666. The yearly profits on this sum would amount to Rs. 600 of which Rs. 450 would be distributed as dividends and Rs. 150 go to reserve. These amounts would increase every year. This result should be the worst obtainable as well managed Societies receive large profits from Government loans and short term deposits, and will when their credit becomes recognised by the money market easily obtain loans at 5 or 6 per cent. My personal belief is that in the majority of Societies the by-law regarding repayment of share capital at the end of 10 years will be rescinded in which case prospects will be vastly improved.

The above scheme as it stands at present requires that the whole of the reserve shall be used as working capital. This may be contrary to the

spirit of the Act and the original ideas of the German Co-operative enthusiasts. Raiffeisen would have ridiculed anything but a real reserve in Government paper. But present-day co-operators have somewhat altered their views in this matter. Mr. H. W. Wolff, perhaps the most experienced co-operator now alive, writes in his recently issued 'Co-operative Banking.' "Most Co-operative Banks make their reserve fund available for employment in their own business and this is perfectly legitimate." This is with reference to share banks with or without limited liability. With regard to the Raiffeisen type of bank he says: "Even their reserve funds are as in the case of share banks rightly held to be employable in loans."

This type of Society has two great advantages. First it gives every member a tangible interest in its welfare. Now that Government has definitely refused to recover debts held by arbitrators to be due as arrears of land revenue the dealings of a Society financed or secured by a few wealthy men are as unsafe as those of individual. The position of a Society can only be secure when supported by genuine popular feeling which is rendered many times more genuine when based on a tangible interest. The second and greater advantage is that though material prosperity is increased by ability to borrow at low instead of high rates of interest, its fundamental basis is thrift. Though encouraging thrift among the Punjabi peasants might be likened to bringing coal to Newcastle the Punjabi has much to learn regarding its proper application. Naturally thrifty as he is, no agriculturist in the world misapplies and squanders his savings like the Punjabi peasant with a small holding. Up to the harvest he lives on practically nothing and denies himself every luxury. But afterwards he either buries his profits or more often considers himself a temporary millionaire. He buys jewels for his wife and children, and spends the rest of his hard-earned savings at the nearest fair. He squanders or buries his savings because he has no attractive means of investing them. For him a type of Co-operative Society is required which will provide not only an incentive to thrift but also an attractive means of applying and retaining his savings. Depositing his money so as to gradually create a useful balance in his favour does not attract him. But to become a shareholder in his Society and thereby to create for himself and his family a permanent pension is a totally different matter. He looks on the dividends which he will receive after 10 years as a pension to obtain which he is willing to forego all his petty extravagancies. If at the same time he is able to help to establish an institution, which will finance him at moderate rates of interest when he desires to borrow, the advantage of his investments is doubled. The advantages of this scheme seem to appeal especially to the Punjabi agriculturist. Many are already subscribing the same amount which they pay for land revenue so that after 10 years their land may be to some extent free of revenue and at some subsequent period entirely free. Many make subscriptions in their wife's names to counteract to some extent the hardships of their widow-hood, and many women insist on money presents instead of jewels and place the proceeds with the Society. In one Society in Lyallpur practically all the women in the village have joined.

The type of Society which I have described above whatever its intrinsic merits, has the merit of having been devised not by any Government official but by the zamindars of the Gurdaspur district.

I printed by-laws to suit the scheme and I have found everywhere that they are preferred to any other type of by-laws which I have distributed. The majority of Societies in other districts have already accepted them and are remodelling their constitution accordingly, and I believe that they will eventually be accepted by every Society in the Punjab.

Of the active Societies in the Punjab 95 are now working on the lines described above, 63 are working only with fixed deposits but of these many are changing their constitution, and 16 are working on Mianwali lines. I enclose 5 copies of the by-laws of Societies described in this paragraph.

It might be argued against a Society of this kind that there are villages in the Punjab where some of the members have a permanent debit balance at the end of every year and that such a Society would be useless to them. The

type of Society described above would of course first finance its subscribing members, as is only fair. When their needs have been satisfied there is nothing to prevent them advancing money to their non-subscribing fellows. In villages where all or practically all of the agriculturists have an annual deficit after their interest payments this type of Society would undoubtedly be useless but I do not believe that except in some very rare cases any type of Society would be successful. For instance in a badly cultivated Rajput village the gain from paying an actual 9 per cent. instead of a nominal $37\frac{1}{2}$ per cent. rate of interest would not convert an annual deficit into a surplus. It would only mean an increase of borrowed money not spent on productive purposes but squandered in some aimless extravagances.

At the beginning of the movement all founders of Societies desired to operate in abnormally large areas. A zaildar, for instance, interested in the question thought it below his dignity to start a Society for anything but his zail. A pleader in Jullundur who started a Society for 65 villages with an initial capital of Rs. 1,000 was bitterly disappointed when I allowed one of these villages to form its separate Society. Though I endeavoured to persuade every founder of a Society to confine its operations to one village I was compelled in a few instances to allow some neighbouring villages to join and in many other cases when permission was not asked for I had to condone subsequently the irregularity. Where my arguments have been in vain only a very short experience has been sufficient to prove that it is only possible in exceptional circumstances to manage efficiently a Society whose operations extend over a large area. The result is that very few Societies are now operating in more than 3 or 4 neighbouring villages. The exceptions occur mainly in the Shakargarh Tahsil of Gurdaspur concerning which I have made some remarks in my note on that district.

I have always held the opinion that the best and strongest Society is that which confines its operations to one village or even to one patti of a village. Management is easy and efficient. The committee knows thoroughly the circumstances of all its members. For this reason and because popular feeling against dishonesty would be strong the chance of bad debts is reduced to a minimum. Borrowing is effected without trouble and deposits are made with equal ease. Few zamindars will walk two miles to borrow or deposit small amounts. I hope that eventually all Societies which operate in more than one village will gradually be split up, and to facilitate this I have persuaded all Societies to adopt a by-law allowing any attached village to form its separate Society and entitling it to receive all share-subscriptions and deposits made by its members and their proportion of the profits from the parent Society. Practically all the best Societies are those which operate in only one village. Few villages are too small to possess a society of their own.

There seems to be no tendency to found caste or tribal Societies. There is a Rajput Society in Hoshiarpur, a Kharal Society in Montgomery, and a Kakkezai Society in Gurdaspur. Otherwise neither tribe, caste or religion are bars against membership. Money-lenders are rarely admitted. The zamindar is aware of the superior cunning and intelligence of the money-lender, suspects his motives in joining, and fears that he would soon wreck or control the Society. Village kamins are sometimes admitted. In mixed Hindu and Muhammadan villages membership confines itself in practice to one class. In some instances however if Hindus found a Society in a mixed village only Muhammadans join. This is especially the case where a Hindu Jat zaildar founds a Society in his village. He is rarely a prophet among his own brethren but for all that may be trusted by his Muhammadan neighbours.

GENERAL PROGRESS.

III. In my report for last year I stated the number of Societies as 151 registered and 27 unregistered. But as only 14 of these Societies were started before January 1st, 1906, and few of the remainder were expected to commence active operations by March 31st, I made no general attempt to collect statistics of their transactions, and contented myself with giving only statistics derived from my inspection notes. I stated that the capital controlled by 23 Societies on March 31st, 1906, was Rs. 33,243

(1). In Province.

exclusive of Rs. 3,700 advanced by Government, and that I had been informed that Rs. 16,170 had been deposited in Gurdaspur. These statistics require some correction and amplification to admit of a comparison with present results. On March 31st, 1906, there existed 29 active Societies with total funds amounting to Rs. 34,010, exclusive of Rs. 3,700 advanced by Government. The Jullundar figures given in my last report were Rs. 2,600 in excess of the actual amount, as the transactions of the Basti Mithu Sahib Society always were and have remained nominal, and one other Society was working with a capital of Rs. 400. The Kachi-Shahani society, whose capital was stated as Rs. 407, had also been dissolved privately without any intimation being given to me. Five Societies in Gurdaspur and four new Societies in Mianwali had started active operations with a total capital of Rs. 3,774. The sum of Rs. 16,170, stated as the amount deposited in Gurdaspur by March 31st, 1906, consisted mainly of promised not of actually collected deposits.

By June 30th, 1907, the number of active Societies had risen to 174 and the capital at their disposal to Rs. 2,80,531.* Government advances had risen from Rs. 3,700 to Rs. 46,300. The number of members had increased from 1,525 to 17,254. Of these 174 Societies the members of 86 are entirely or mainly Muhammadans.

The general progress of the 15 months under report has been good. I had hoped, however, that it would have been considerably better. The progress of all Societies was most satisfactory up to the end of February, 1907. Since that date, however, various disasters have befallen practically every village in the Punjab. A large majority were decimated by plague, which dislocated the entire village life till June. When life is uncertain from day to day few people have the spirit to think of schemes for their betterment. Then the spring crop, which promised a record yield, withered away, and the outturn was not one-third of what was expected. These two causes interfered everywhere with the dealings and progress of village Societies. Practically no Society obtained the hoped for increase of funds. In the majority of Societies debtors required an extension and realisations were poor. The 53 Societies established between February and March 1907 in Gujrat and Sialkot were obliged to defer the start of active operations to better times. This compulsory delay cannot fail to have a detrimental effect. Finally the seditious agitation conveyed to the mind of the agriculturist a feeling of insecurity, and the mischievous misrepresentations and unfounded fears of the effects of the proposed Punjab Colony Act created a widespread distrust of Government and everything connected with Government both in Lyallpur and in the thousands of villages from which the Lyallpur Colonists have been recruited.

The total number of Societies now registered is 328. Of this number 174 are working actively, 91 have not had a fair opportunity of starting active operations owing to the unfavourable circumstances described above but may do well, 53 have started operations on a practically or actually nominal scale and the majority will probably never become real Societies, and 10 are winding up their affairs. I stated in my preliminary note that this report deals mainly with the 174 active Societies.

To describe the situation more accurately it is necessary to deal separately with the progress made in each district.

In my last report I stated that 65 Societies had been registered in this district. Up to March 31st, 1906, the only progress made was that 5 Societies had collected Rs. 2,503 and further sums had been promised. On June 30th, 1907, 68 Societies were working with net assets amounting to Rs. 1,07,989. The number of their members was 11,722 and the amount of business done during the year was Rs. 1,20,624. I described the methods of working of these Societies in paragraph II.

No Society exists at present in the Pathankot Tahsil. In the Batala and Gurdaspur Tahsils better progress has been made than anywhere else in the Punjab. More general interest in the Societies and their objects exists both among the managing and ordinary members than in any other district. Management is generally excellent. But the best feature is that the ordinary illiterate agriculturist takes a real and intelligent interest in his 'bank.' There are many excellent Societies, both large and small. The largest Society in the

* From the total assets of Rs. 2,84,126, Rs. 3,595 due as interest on deposits is deducted.

district and in the Punjab is that of Bham in Batala. It has a membership of 324 and conducts its operations in Bham and 6 surrounding villages. It has a total capital of Rs. 16,085, of which instalments towards the purchase of shares account for Rs. 4,752, deposits for a year or longer for Rs. 8,360 and a Government loan for Rs. 2,000. Its profits amount to Rs. 973, which, however, includes Rs. 324, the excess of entrance fees over expenditure. The profits are fair considering that the Society did not begin its active existence till May, 1906. The total of loans granted in the year was Rs. 21,330. The President is Kishen Singh a most capable and energetic Jat.

Though Bham is the largest Society there are many others conducting operations on a big scale. Equally, if not more, creditable to the members are several Societies in poor Muhammadan villages. Perhaps the most creditable Society in the whole district is that at Mamrai, a very small and poor Muhammadan village, in which every adult zamindar has joined as a member. Even so the total membership is only 36 and their capital Rs. 304, which has been augmented by Rs. 300 from Government. Most of the members in order to subscribe have been forced to deny themselves everything. Nothing could be more praiseworthy than their determination to improve themselves.

The success attained in the Batala and Gurdaspur Tahsils has been due to well-directed official efforts supported by the leading zamindars. Munshi Firoz Din, the Revenue Extra Assistant Commissioner, missed no opportunity of explaining the benefits of co-operation to the people. His breezy, lucid, sympathetic style of speaking could hardly fail to carry conviction to his audience. The whole of the labour of organising the Societies fell to Allah Dad Khan, Kanungo, who has been specially employed since April 23rd, 1906. Being a zamindar, and having great influence through his integrity and sincerity, he was the best man who could possibly have been selected for the work. He has succeeded in placing in good order Societies managed often by comparatively or absolutely uneducated men with no knowledge whatever of keeping accounts. The Tahsildar of Gurdaspur, Pandit Karta Kishen and the Naib Tahsildar of Batala, Anant Ram, also gave me good assistance. The present results, however, could not have been attained without the constant practical interest in the scheme shown by Major Fox-Strangways, Deputy Commissioner. No Deputy Commissioner in the Punjab has yet given me such valuable assistance. His successor, Major Powney Thompson, is now giving me useful assistance. Of non-officials every President of a successful Society has set a good example to others. Advice without practical experience is not regarded as of much value by the agriculturist. Several zamindars have given me good assistance, but to one zamindar especially is due much of the credit for the present success. Narain Singh, Zaildar of Tibbur was largely responsible for the initiation of the movement and has contributed equally to the results now obtained. I hope that Government will reward his good work.

In the Shakargarh Tahsil, which I was unable to visit before I went on leave in April 1906, matters were unsatisfactory. Practically all the Societies in the tahsil were started through the energy of the Tahsildar between April and August 1906. This Tahsildar made many mistakes. He considered zail Societies the most likely to succeed and directed the zaildars, whether suitable or not, to form Societies. The Tahsildar did not properly understand the scheme, the zaildars understood less, and the more or less willing members nothing at all. A large number of members were forced to subscribe Re. 1 each, and naturally widespread dissatisfaction was caused and good results were practically nil. Last cold weather I spent some time in the tahsil to remedy, as far as possible, the mistakes of this misguided Tahsildar. I held large meetings everywhere and explained the objects and methods of the scheme. I ordered four zail Societies to wind up their affairs as soon as possible as the zaildars were incompetent and none of the members desired to continue. Six Societies which many members desired to maintain were allowed to continue operations in a much reduced area. Three zail Societies, of which the members unanimously desired the continuance, were allowed to remain as they were. Of these only one, *i.e.*, the Gumtala Society, which has a capital of Rs. 5,447, promises to be a zail Society in anything but name. The other two will probably never work actively, except in a few villages to which their area of operations will eventually be reduced. They will

all, I hope, lead to the establishment of separate Societies in each village, though there are hundreds of little hamlets called villages in Shakargarh which could never possess their own Society. Whether a Society was allowed to continue as it was or to work in a reduced area, I ordered that all payments made as entrance fees or otherwise should be repaid to any member who desired to secede. Many of the original payments were undoubtedly not voluntary.

The movement in Shakargarh was started so inauspiciously that permanent harm might have been caused. Now, however, confidence has been restored, and the people have begun to understand the objects and advantages of their Societies. Their proper organisation has been assisted since January by Allah Dad Khan, who was unable before to visit the tahsil. The result is that 18 Societies are now working well. The Gumtala Society is as good as any in the district, and there are some in the high broken country above Shakargarh which, considering the circumstances of their members, are doing creditably. Prospects, however, are hardly as good as in the other two tahsils owing to the inhabitants of the scattered hamlets, in which a large proportion of the population reside, being naturally less inclined to combine than the people of one homogeneous village.

Besides the 68 active Societies in Gurdaspur there were 13 started recently. It is too early to predict that they will be successful. Last spring was an unfortunate time for starting new Societies owing to the dislocation caused by plague and the disappointing harvest.

There are also 10 Societies whose transactions are practically nominal. I do not anticipate that many of these will enjoy a long existence; nor are any efforts being made to assist them. Most of them were condemned by me to compulsory dissolution after the Rabi unless some better progress were made, but have obtained an extension owing to the partial failure of the crops. In most of them the chief weakness lies in the unsuitability or untrustworthiness of the managing members. Under such circumstances I consider that it would be a grave mistake for me to endeavour to persuade the people to entrust their savings to men who might either mismanage them or possibly misappropriate them. If I acted in this manner I should merely be inviting serious failures. The great security against failures with loss is that the people themselves know better than any one else whether their managing members are worthy of confidence or not. If these Societies show that my present opinion of their merits is undeserved they will of course receive every assistance. Otherwise they will be dissolved.

Nine Societies are winding up their affairs. They were all started by men unsuited for the position and not trusted in the village. In no case is any loss anticipated.

After Gurdaspur most progress has been made in the Jullundur District. On March 31st, 1906, there existed 7 Societies with a capital of Rs. 10,596 and on June 30th, 1907, there were 44 Societies with assets amounting to Rs. 81,371. All the Jullundur Societies worked originally with only fixed deposits, but the majority have now expressed a preference for the by-laws introduced in Gurdaspur, though only in a few cases have they yet been adopted formally. I hope that this change will result in an improvement. At present, though there are many well-managed Societies working with considerable capital, the Jullundur Societies do not compare favourably with those in Gurdaspur. There is not the same general interest as in Gurdaspur. This is partly accounted for by the methods of working. The poorer agriculturist has joined only as a borrower and has no tangible stake in his Society. The Jullundur Societies have also not had the advantage of much official assistance, without which the poorly educated managing Committees are often deterred from taking steps forward either from ignorance or fear of committing mistakes. Jullundur has not had an Extra Assistant Commissioner like Munshi Firoz Din, nor an energetic organiser like Allah Dad Khan. Though the present Deputy Commissioner has given me much general assistance, his Revenue Assistant, Pandit Nand Lal, has taken no interest whatever in the movement, and the Tahsildars only take a spasmodic interest while I am touring in their tahsils. The general result has been to convey the impression that the scheme is regarded

with indifference by Government. Under these circumstances the progress made is all the more creditable.

Many Societies are doing good work, but limitation of space prevents me describing their transactions separately. In Jullundur as in Gurdaspur the most satisfactory feature is the success attained in poor Muhammadan villages. There is no better Society in the Punjab than that at Barnala Kalan, of which every zamindar in the village is a member. The people are Muhammadan Rajputs with no ideas of thrift, but under their enthusiastic President, Abdulla Khan, they have developed the co-operative spirit in its highest form.

There are in Jullundur a very large number of Societies whose transactions have remained and are likely to remain nominal. As in Gurdaspur they were all condemned to dissolution if no progress were made after the Rabi, but asked for an extension on the ground of a partial failure of the crops. Of the 24 nominal Societies the Nawashahr Tahsil accounts for 11. The gentleman originally responsible for the greater number of applications for registration is a Khatri Sikh zaildar and the most influential and capable man in the tahsil. He applied for registration, and his example was widely imitated, and for a time prospects seemed excellent. When, however, it came to starting active operations this gentleman changed his mind, and others who were waiting to follow his example have also delayed taking practical measures. In my opinion there is every prospect that most of these Societies will be dissolved during the ensuing year.

I described at some length in my last report the prospects in Lyallpur and stated my opinion that a large number of Societies could be established in that district. I believe that in no district would Co-operative Societies be more useful. As the result of a special pamphlet for Lyallpur which I issued last year and of excellent articles in the Zamindar newspaper, I had received a large number of letters and verbal requests asking me to come to the district to assist in organising Societies. I therefore toured in the district in February. At that time, however, the minds of the people were so upset by the imaginary evils which were to follow the passing of the Colony Bill that they were unable to fix their attention on any other matter. Allah Dad Khan, whom I took with me from Gurdaspur as he has been asked by some friends to assist them to establish Societies in their villages, organised 5 Societies among his Muhammadan Jat brethren, which seem as if they will be the most successful in the district, especially as he will continue to assist them.

Most of the Lyallpur Societies are not yet in thorough working order as is testified by the large amount of cash in hand. This is not due to the prosperity of the people, but to the fact that a certain amount of suspicion still exists regarding the methods of the 'Government Banks.' The agitation regarding the Colony Bill caused some distrust of everything connected with Government, and even Co-operative Societies did not escape some share of suspicion. The re-establishment of confidence in Government will greatly improve the prospects of the present Societies.

In Hoshiarpur progress continues slow but satisfactory. As against 5 Societies working with Rs. 7,376, there are now 8 Societies with a total capital of Rs. 20,079, inclusive of Rs. 4,000 advanced by Government. The Padrana Society which was always in a feeble condition was dissolved by my orders as it showed no hopes of success. The present 8 Societies (with the exception of that at Mahalpur) are all working excellently. The Badla and Garshankar Societies are doing especially good work. There are no greater enthusiasts in the province than their Presidents, Sultan Ali and Banne Khan. The unregistered Panjwar Society continues to do well. Four other Societies were started by its President, Hira Singh, on the same lines, but none have yet got beyond the nominal stage and are not likely to do so. The tenants, who are generally more prosperous than the landlords claim certain rights in the common land, and forcibly or legally oppose any scheme for its management which infringes their alleged rights. One big test case is now pending, but I doubt whether the landlords will have the funds to prosecute it successfully as its trial will apparently occupy several years.

The Mianwali Societies continue to make slow progress. There are now 15 Societies with a total capital of Rs. 6,863. They require more assistance than any others. Their accounts if left uninspected for a year get into a state of almost inextricable confusion. The knowledge of their objects and the details of their working is practically always confined to one individual upon whom everything depends. During the past year the continued working of the majority has been dependent on the assistance of Khan Sultan Ahmed, Settlement Revenue Extra Assistant Commissioner to whom again my thanks are due. In future, however, I shall be able to spare an Inspector, who has been a Settlement Naib-Tabsildar in Mianwali, to assist them.

The Chuni Society managed by Paindu Shah, probably the most intelligent man in the district, is the only Society which has made substantial progress during the past year. Its funds have increased from Rs. 527 to Rs. 1,141. Both the Societies whose condition was stated last year to be precarious have broken up. The Kachi Shahni Society as I stated in paragraph III was dissolved before the beginning of the period under report, and the Rang Shah Society has subsequently been dissolved. I may note that in both cases in spite of by-laws to the contrary the reserve funds were divided among the members.

A co-operative wheat selling Society was established on the lines which have been so successful in Hungary, by Mr. M. Harrison, Deputy Commissioner, last year and did a little business under the presidency of Ahmad Khan of Dhandla. It is at present however in a dormant condition. The natural want of business capacity of the managers and the transfer of Mr. Harrison have prevented its progress. It has a collected capital of about Rs. 6,000 but in the absence of a Government official constantly on the spot to manage it, as Mr. Harrison did last year, its prospects are poor.

In the Montgomery District there are two Co-operative Societies working with a capital of Rs. 14,483 as against one whose capital was Rs. 7,935. They partake more of the nature of benevolent institutions started by philanthropists for the relief from debt of their poorer brothers, than of real Co-operative Societies. The two philanthropists are Kamir and Jahangir. Both these Societies are doing most useful work but their ultimate utility would be much increased if their Presidents could instil into the other members something of the Co-operative spirit. Kamir's family have stamped themselves as the most noted philanthropists of the Punjab. Three of his brothers have started similar Societies among the Biloches in Lyallpur.

There are 4 other nominal Societies. Their prospects of developing into active institutions are better than elsewhere as the Montgomery mind though it moves slowly is not apt to indulge in passing fancies.

In the Amritsar District there is one working Society with a capital of Rs. 2,298. It is doing good work among Mubammadan Rajputs. It was started by Murad Ali a zaildar in Lyallpur. Its prospects are hopeful but its progress will be hampered by the general absence of Murad Ali. This gentleman applied for exemption from the necessity of residing in the Colony offering of course to resign his zaidari, and agreeing to leave his son to manage his property. The application of this genuinely public spirited enthusiast was however refused.

Five Societies were also established in March by Suchet Singh a Gurdaspur zaildar of considerable influence in the district. Though there were promises of a large initial capital in each case active operations have not yet started. Suchet Singh however promises that they will all soon be in a good working condition.

Two enthusiastic officials Sardar Khan, Revenue Extra Assistant Commissioner and Abdul Majid, Settlement Naib-Tabsildar, have started recently 8 Societies in Gurgaon of which 5 are already doing good work. The members of two of these Societies consist mainly of Meos probably the most backward tribe in the Punjab. I hope that these Societies will be successful, as probably in no district is the money-lender more powerful. At least three of these Societies enjoy the advantage of having most enterprising Presidents.

In Ludhiana there are now 7 Societies working with assets amounting to Rs. 10,056. They were all started in the last few days of March 1906 or last spring. They are doing good work on the whole but have not yet aroused the same general interest as in some other districts. They all work with ordinary fixed deposits and have consequently not attracted the savings of the poorer classes. Beyond visits at long intervals by the Registrar they have received practically no attention, though Mela Ram, a Tahsildar lately transferred to Samrala, seems to be taking a genuine interest in the 6 Societies in his tahsil.

There are also 5 Societies whose transactions are practically nominal. I have little hopes of their success. These 5 were started through the efforts of Diwan Tek Chand, Deputy Commissioner, as also were 4 of the working Societies.

There are three Societies working in Multan. The Thatha Ghilwan Society continues to do well. The other two were started last year by Mr. Langley, Deputy Commissioner, and are apparently doing good work. Munshi Firoz Din who inspected them thought well of their prospects.

Matters in this district continue to be unsatisfactory. I ordered the Panipat Society to wind up its affairs. The other two Societies are doing badly.

In Gujranwala there are two active Societies. They are not yet doing very good work.

There are two new Societies in this district recently established through the efforts of the indefatigable Munshi Firoz Din now Revenue Extra Assistant Commissioner in the district, who thinks well of their prospects.

The Society established last year has remained in a practically nominal condition.

I had received many requests from the Sialkot and Gujrat Districts to come and explain the methods of working Co-operative Societies. Being unable to spare the time myself I deputed Munshi Firoz Din, Extra Assistant Commissioner, to visit the villages where a desire to start Societies apparently existed. Personally well acquainted with these two districts he found escape difficult when his presence became known. When riding along to one village he was frequently stopped on the road by members of another and compelled to explain the objects and advantages of co-operation. In the course of some five weeks in February and March he was instrumental in establishing 53 Societies. In every case a reasonable initial capital was promised and it was intended everywhere to start actual operations after the Rabi harvest. Unfortunately these good intentions were frustrated by the partial failure of the crops and the total dislocation of village life caused by plague. I visited the districts in May and found whole villages deserted. In several places zamindars told me that they had been offering in vain half the crop to labourers as payment for reaping and winnowing. In one village out of 24 members only the President survived. Under these circumstances it is only natural that no progress has been made. From April 29th I employed Hussain Bakhsh Gujar a resident of Sialkot and a Kanungo of Gurdaspur who had done good work in that district to assist the people to organise their Societies on a working footing. He was however unable to do anything and considered it a mistake to worry the people while suffering from the effects of their various calamities. Though his further employment has not been sanctioned by Government he is still on leave from his official duties and doing his best to assist the people to start active operations.

Concerning the prospects of these Societies I am personally unable to give an opinion. When I visited the districts in May plague and the disappointment of a good harvest monopolised everyone's thoughts. The fact however that all these Societies were started at the spontaneous desire of the people holds out good hopes of success. Munshi Firoz Din moreover who has

watched the progress of the Gurdaspur Societies from their earliest infancy, and knows from experience whether a Society will succeed or not, is of opinion that prospects in these two districts are in every way as promising as they were in Gurdaspur. I hope therefore that when the people recover from their recent misfortunes these Societies will begin their active careers.

There is one Society in Gujrat established last year which is doing well.

IV.—WORKING OF SOCIETIES.

CAPITAL AND LOANS.

(1).—Capital raised.

The amount of capital raised during the year was Rs. 2,37,448, of which Rs. 98,358 were fixed deposits, Rs. 85,517 were instalments towards the purchase of shares, Rs. 42,600 were advanced by Government, Rs. 14,944 were entrance fees and Rs. 1,000 was lent by Sir D. M. Hamilton, and Rs. 84 was a miscellaneous receipt.

(2).—Loans.

(a) *Number.*—I regret that from some mistake the number of loans granted was not given. In all Societies the number is large as every Society has accepted a by-law that no member shall be given a loan greater than $\frac{1}{10}$ th of the total working capital.

(b) *Amount.*—The amount of loans given out was Rs. 2,62,647.

(c) *Period.*—The period for which loans were given was in nearly every case for one harvest or one year. In my inspections I did not find any case in which loans were given for a longer period.

(d) *Purpose.*—In my inspections I discovered very few loans which were not granted for payment of revenue, purchase of seeds or bullocks, liquidation of old debts, or redemption of mortgages. Loans for marriage expenses are very rare. I found that practically in every case loans were given out without favour by the Managing Committees. In two cases, however, complaints were made that the Presidents of Societies were advancing money to their own debtors so as to transfer to the Society debts which they could not recover otherwise. Both these cases were settled satisfactorily to the other members, as bonds for the amounts involved were drawn up, and the two Presidents stood surety for the debtors. In all my inspections I have been particularly careful to notice that no dishonesty of this kind is practised.

(e) *Security.*—The security taken depends on individual circumstances. As a rule either no security is taken or some other member is required to stand as surety. Very few mortgages have been made in favour of Societies except in Ludhiana.

(f) *Rate of Interest.*—The rate of interest charged almost universally is 9 or $9\frac{1}{2}$ per cent. Six Societies in Lyallpur and one in Karnal charge 12 per cent. Some few Muhammadan Societies charge one seer of wheat per rupee, which is about 5 or 6 per cent.

(g) *Repayment.*—Loans repaid amounts to Rs. 60,268. The partial failure of the Rabi harvest is accountable for the small amount recovered. In most Societies some extensions of the original period were given.

(h) *Action against defaulters.*—No action has been taken against defaulters as none has fortunately been necessary. Recently four Societies applied for my assistance to recover loans. I visited them in August and settled the disputes amicably and satisfactorily.

(3).—Grain Banks.

If I understand correctly the meaning of grain banks none exist in the Punjab. Many Societies allow payment in grain instead of cash, but convert such grain into cash at the earliest suitable opportunity.

(4).—Custody of Funds.

Arrangements for the custody of funds are generally unsatisfactory. Surplus funds are kept by the President or with some local money-lender or

in the nearest Savings Bank. Deposits in Savings Bank become more rare every day, and will cease altogether unless the present rules are modified. In the case of Societies operating with large sums only Rs. 2,000 may be withdrawn in the year without one month's previous intimation. No Society can possibly foretell its needs a month ahead, and no zamindar whose bullocks die suddenly for instance can wait a month for a loan. As a matter of fact this period of a month is seldom respected by the Post Office authorities. The concession allowing sums of over Rs. 2,000 to be deposited is therefore useless. When the dealings of a Society are in smaller sums the concession is of equally little value. Before payment can be made reference is necessary to the head office and the methods of the department are laboriously slow. The result is that the intending borrower does not wait for the money, and the unfortunate President makes three or four journeys of perhaps ten miles each to find that his trouble has been in vain. I am aware that large sums cannot be kept at village post offices. But if the concession to Co-operative Societies is to be of any value payment of whatever sum is desired should be possible two days after the application. Several Societies, notably the Badla Society of Hoshiarpur, have been greatly inconvenienced by dealing with the Post Office.

V.—PROFITS AND RESERVE FUND.

Statements III and IV attached show the profits of the active Societies for the period under report. Statement III shows that the excess of interest earned over interest paid and due and is Rs. 11,626. This is not absolutely accurate as some Societies have not calculated the interest due on loans which have not fallen due and on deposits of which the interest is not yet payable. Some Societies also which existed before March 31st, 1906, have shown their previous profits in this year. The sums concerned are insignificant. Owing to the delay in receiving the statements from Societies and the time taken by them in making such calculations I did not return the statements for correction. It may, I think, be assumed that Rs. 11,626 is approximately correct and that it more probably under-estimates than exaggerates the interest profits owing to the excess of uncalculated interest receivable on loans to that payable on deposits. The interest earnings were fair when it is considered that most of the Societies were in course of formation during the year, and owing to some suspicions in the minds of potential borrowers lending was at first not rapid. Of the Government advance of Rs. 42,600 nothing was received till February. The exact percentage of profit could only be ascertained by elaborate calculation.

Statement IV shows the total profits including Rs. 1,323 carried over from last year and some small sum probably not more than Rs. 300 not shown in last year's accounts as Rs. 26,358. This includes Rs. 13,467 the excess of entrance fees over expenses (which should certainly be credited against entrance fees) and Rs. 11,626 the excess of interest received or due against interest paid and payable.

The whole of the profits are carried to the reserve, which however, as I explained in paragraph II, is used in the ordinary business of the Societies.

VI.—AUDIT AND INSPECTION.

All the Societies in the Punjab were inspected once and many twice in the course of the year. Accounts are generally well kept except in Mianwali, where in spite of considerable assistance given mistakes are frequent. In Gurdaspur owing to constant help given by Allah Dad Khan accounts are in the best condition.

In January last all the Gurdaspur Societies requested that they might be allowed to send monthly copies of their cash-books to my office. The object of this request was to prevent any loss being caused intentionally or accidentally through a disappearance of the account books. Many Societies in other districts have also agreed to this course which will soon become universal. This system, though it burdens his office with much extra work, is of great advantage to the Registrar, as it enables him to conduct a continuous audit of accounts and keeps him informed of the progress of each Society. A Hoshiarpur Society has gone a step further, and now sends copies of all its bonds and deeds for record in my office.

VII. RESOURCES, GOVERNMENT LOANS, ACCESS TO MONEY MARKET, ETC.

The amount of Government loans distributed up to March 31st, 1906, was Rs. 3,700. From April 1st, 1906, to June 30th, 1907, Rs. 42,600 have been advanced. This Rs. 46,300 has been advanced to 38 Societies. A further sum of Rs. 50,000 has been placed at my disposal. All the Societies to which advances have been made are doing well except one in Karnal, from which I am contemplating immediate recovery.

Of the Rs. 5,000 generously advanced by Sir D. M. Hamilton one loan of Rs. 1,000 was granted and received during the 15 months. I have since sanctioned loans for the remaining Rs. 4,000.

No money has yet been borrowed from other outside lenders and no steps have yet been taken to bring village Societies into contact with the general money market. In this respect the Punjab might be considered at first sight to have lagged behind other provinces. As a matter of fact I consider that the Punjab Societies are ahead of those in other provinces. The true foundation of Co-operative Societies even from a purely utilitarian point of view is thrift not credit. "The Co-operative Bank was not started merely as a convenient credit pipe to establish communication between capitalist reservoirs and non-capitalist dry-places. The use of credit is in it really resorted to, more as a means towards such end, than as an end itself." (Mr. D. W. Wolff). My policy has been to encourage thrift as an end in itself and as a foundation for the necessary superstructure of credit. There are few Societies to which credit is not essential if they are to attain their full development within a reasonable period. But it has always seemed to me that it would be to the ultimate advantage of every Society to defer borrowing till credit could be demanded as a right and not begged for as a favour. A Co-operative Society which gives no security of good management, in which the co-operative spirit has not been developed, in which even its own members have little confidence and do not deposit their savings, can never hope to borrow from the open market at any rate of interest. Joint liability by itself is worthless. Every money-lender in the Punjab knows the difficulty of recovering debts due by a number of persons on whom liability has devolved, though their total assets may be considerably greater than those of the original borrower. A Society with joint liability as its only asset can obtain credit only from artificial Government aided or Government created institutions. My object has always been to prove to the money market that well managed village Co-operative Societies are sound business institutions and have a right to demand credit at reasonable rates of interest. Only a few days ago I had occasion to negotiate with a Batala capitalist for a loan of Rs. 4,000 for a Society in Gurdaspur. After understanding the position of the Society he offered the money at 6 per cent. The Society at the time refused to pay more than 5 per cent. and I have not heard since the eventual result. Every well managed Society in the Punjab would value its borrowing power at 6 per cent. at the worst, and I feel convinced that when the money market is informed of the state of affairs it will hold the same view.

In March 1907 Sir D. Masson was considering the idea of starting a Central Bank at Lahore to finance village Societies, and I had the advantage of a discussion on the subject with him and other Lahore capitalists. Though Sir D. Masson thought it possible to establish a Central Bank at once, we mutually agreed that there was every advantage in delay which would mean fuller information among capitalists of the credit of their future clients and enable the latter to further consolidate their positions.

VIII. DISPUTES AND LITIGATION.

There have been no disputes or litigation.

IX. RULES AND BY-LAWS.

The only important incident during the period under report connected with rules under the Act was the refusal of the Government of India to allow a rule proposed by me and sanctioned by the Punjab Government for the recovery as arrears of land revenue of debts held by arbitrators to be due. I attached great importance to this rule, not so much as providing a simpler method of recovery, but on account of its moral effect. I doubt whether it would ever have been necessary to put the rule in force. The objections to a rule of this kind are certainly not without weight

When a Co-operative Society relies on privileges of this description instead of the strong mutual feelings of the members to prevent dishonesty its whole basis is undoubtedly weakened. In many Societies in the Punjab I believe that dishonesty is hardly possible even under the present arrangements, but even to the best Societies such a rule would give an additional sense of security. In good Societies (and they are the only Societies worth considering) there would be practically no fear of dishonesty if the agriculturist were left to himself. I shall be very surprised however if dishonesty is not encouraged and the consequent litigation financed by the money-lending opposition. Few young Societies could stand the expense and trouble of litigation promoted by the money-lender. The rescinded rule would have had sufficient moral force to prevent any such interference. I hope that eventually some simple method of recovery, such as for instance that provided by the Bengal Public Demands Recovery Act, will be sanctioned.

I proposed recently a rule allowing members to nominate their heir to their interest in a Society. This rule I consider most important. Agriculturists will not save money unless they have some incentive. Generally speaking the incentive is either to improve their own position, or to provide for their widows or younger children. Practically no Punjabi agriculturist has any desire to save money for the benefit of his eldest son. Sooner than this he would waste it in any aimless manner. Though primogeniture does not exist except in a few cases the agriculturist knows that, if he dies leaving one son of age and other minor sons, the whole of his movable property will be appropriated by the eldest son. A will would be of doubtful legal validity and in the circumstances described of no practical value. Custom legally forbids any testamentary disposition of savings from ancestral property. As against this, custom naturally forbids any thrift for the benefit of an eldest son. The latter custom has existed in the East for some 50 or 60 centuries and has any rate the advantage of seniority.

The only important alteration in the by-laws which I have sanctioned during the year is connected with the disposal of the reserve fund in case of dissolution. At the unanimous request of all Societies working with shares I sanctioned a by-law allowing the reserve fund to be divided among the members in case of dissolution. The rule on this subject in most other countries is that in case of dissolution the reserve fund must be employed on some object of public utility. This rule is designed to prevent any inducement to wreck a Society for the sake of temporary profit. For this same reason I persuaded all Societies to accept a by-law providing a *locus penitentiae* in cases where the decision to dissolve has been ill-considered or hasty. This by-law provides that the reserve fund may be divided only if the Registrar considers that there is no prospect of a satisfactory continuance of the Society or a resumption of its working within a reasonable period. If the Registrar is of opinion that the working of a Society could be resumed satisfactorily within a reasonable period he may order the reserve fund to be deposited temporarily in the Bank of Bengal or the nearest Savings Bank. This by-law seems to me a sufficient safeguard against dissolution for temporary profit, which the majority of members would soon regret, and against dissolution on account of temporary dissension in the village which would soon subside. If a Society is really incapable of being managed to the continued advantage to the village I have never understood any reason for requiring the reserve to be spent on some object of public utility in which probably not one member is really interested. The Punjabi agriculturist only suspects that the object of such a rule is that Government may either make or save money therefrom.

X. ATTITUDE OF THE PUBLIC, OPPOSITION EXPERIENCED, OFFICIAL AND NON-OFFICIAL ASSISTANCE RECEIVED.

(1). *Opposition.*—Opposition by the money-lending classes has been universal. It varies according to the success of the movement. Thus in Gurdaspur and Jullundur it has been most marked. Co-operative Societies are not popular with the money-lender. He regards their establishment as an attempt to trespass on his special preserves. He tries everywhere to prevent their establishment and subsequent progress by misrepresenting the objects of the scheme. He tries to persuade the villagers that Co-operative Societies are formed by a designing Government to appropriate their hard-earned savings. He tells the borrowers that, if they do not repay their loans punctually, their land will be sold without delay, or confiscated by Government. Finally if his misrepre-

representations fall on barren soil he under-bids the Society and offers to advance money at 6 instead of 9 per cent. In large areas in Gurdaspur the zamindar can now borrow at 6 per cent., and it requires some public spirit and foresight on his part to refuse to avail himself of this seducing opportunity. To his credit, he it said, he first borrows from the Society and only resorts to the money-lender if the Society is unable to give him sufficient credit.

(2). *Assistance.*—I have been fortunate everywhere in receiving most valuable assistance from the true leaders of public opinion and from the Native Press. The *Zamindar* newspaper especially has taken great interest in the movement, and its lucid and sympathetic articles have been most useful in spreading information on the subject among zamindars in the Central Punjab. To Munshi Siraj-ud-din, the editor, especially my thanks are due. The *Wattan* also by its broad-minded articles on interest has done much to remove the prejudices of Muhammadans against a scheme of which the main object is to relieve them from the clutches of the interest-seeking money-lender. I should be obliged if copies of my report be sent to the editors of these two newspapers. In fact I would suggest that copies of my report be sent to all vernacular newspapers in the Punjab, as I feel sure that, whatever their attitude may be on other matters, they will bring favourably to their readers' notice a scheme of which the object is the material and moral improvement of the Punjabi zamindars.

A large number of gentlemen of all classes have given or tried to give me assistance. In my remarks on the Gurdaspur District I mentioned the name of Narain Singh. The assistance rendered by him is the most valuable that I have received anywhere. His son Kishen Singh, Zaildar of Singhpura, also gives me great assistance in looking after four Societies in his zail which are managed by capable but uneducated men. I have also mentioned the services of Suchet Singh, Zaildar, in establishing Societies in the Amritsar District. In the Jullundur District Pal Singh, Safedposh of Shanker, and Abdulla Khan, Safedposh of Barnala, have given me valuable assistance. I have mentioned separately the names of the gentlemen who have assisted me in Hoshiarpur.

However valuable advice to others may be the genuine pioneers of the movement must be considered those men who by their energy and ability prove to the agricultural community that the establishment of a well-managed Co-operative Society is of the greatest advantage to every village. Every well-managed Society is a credit to its managing members and its President deserves the thanks of his fellows as well as of Government. I do not propose to give a list of all the Presidents of all the Societies which are doing good work, but only of those whose work has been especially creditable. A list of these men is as follows:—

GURDASPUR.

- 1 | Kishen Singh, Zaildar of Bham.
- 2 | Narain Singh, Zaildar of Tibbur.
- 3 | Phangan Shah, Zamindar of Tibbur.
- 4 | Rahim Bakhsh, Zaildar of Gumtala.
- 5 | Sultan Ali, son of Rahim Bakhsh, Zaildar of Gumtala.
- 6 | Muhammad Bakhsh, Safedposh of Bhaini Malwan.
- 7 | Teja Singh, Zamindar of Khojala.
- 8 | Balwant Singh, Zaildar of Rangar Nangal.
- 9 | Ghulam Din, Lambardar of Maingri.
- 10 | Nube Khan, Lambardar of Dyalgarh.
- 11 | Rur Singh, Lambardar of Dharowali.
- 12 | Hashmat Ali, Sub-Registrar of Chhajwal.
- 13 | Abdul Aziz, Lambardar of Theh Ghulam Nabi.
- 14 | Umar Hyat, Zamindar of Faiz-ulla Chak.
- 15 | Subedar Hakim Singh of Khanwala.
- 16 | Ghulam Muhammad, Lambardar of Mamrai.
- 17 | Sher Singh, Lambardar of Ghanyoke Banger.
- 18 | Alam Khan, Lambardar of Kala Afghanan.
- 19 | Alam Khan, Zaildar of Chhachhryala.
- 20 | Nabi Bakhsh, Safedposh of Winjwan.
- 21 | Alla Rakha, Lambardar of Lekhan Kalan.
- 22 | Sultan Bakhsh, Lambardar of Dala.

GURDASPUR—CONCLUDED.

- 23 | Kishen Singh, Zaildar of Singhpura.
- 24 | Subedar Arbel Singh, of Tallan.
- 25 | Tara Singh, Lambardar of Madra.
- 26 | Natha Singh, Zaildar of Dhandoi.
- 27 | Rasila, Zaildar of Khanna.
- 28 | Khair Ali, Zamindar of Satkoba.

JULLUNDUR.

- 1 | Abdulla Khan, Safedposh of Barnala Kalan.
- 2 | Maulvi Mubammad Ali, Zamindar of Gurra Vahndan.
- 3 | Pal Singh, Safedposh of Shanker.
- 4 | Bakhshulla, Zamindar of Nakodar.
- 5 | Fateh Khan, Lambardar of Nakodar.
- 6 | Attar Singh, Zamindar of Nurpur.
- 7 | Mir Mela Ram, of Nakodar.
- 8 | Chuhar Singh, Zaildar of Chima Khurd.
- 9 | Malla Singh, Lambardar of Sudhupur.
- 10 | Niamat Khan, Zamindar of Baghauran.
- 11 | Amar Singh, Lambardar of Littran.
- 12 | Sher Singh, Zaildar of Sidhwan.
- 13 | Ishar Singh, Zamindar of Gidarpendi.
- 14 | Pir Bakhsh, Zamindar of Jamsheer.
- 15 | Jamil Khan, Zaildar of Behram.
- 16 | Sant Singh, Lambardar of Kohala.
- 17 | Ali Mubammad, Lambardar of Angi Kiri.
- 18 | Nur Muhammad, Lambardar of Chuheki.
- 19 | Subedar Pir Bakhsh of Rawat.

HOSHIARPUR.

- 1 | Sultan Ali, Zaildar of Badla.
- 2 | Banne Khan, Zamindar of Garshankar.
- 3 | Fateh Din, Zamindar of Todarpur.
- 4 | Tikka Opinder Singh, of Manswal.

LYALLPUR.

- 1 | Nathe Khan, Lambardar of Chak No. 143.
- 2 | Partap Singh, Lambardar of Chak No. 263.
- 3 | Dalip Singh, Zamindar of Chak No. 118.

GURGAON.

- 1 | Tafazzul Hussain, Zamindar of Nagina.
- 2 | Mubarak Ali Shah, Zamindar of Pinangwan.
- 3 | Rao Chhaju Ram, Zaildar of Dharu Hira.

AMRITSAR.

- 1 | Murad Ali Khan, Zamindar of Pala Saur.

GUJRAT.

- 1 | Ch. Fazl Ali, Zaildar of Ajnala.

MULTAN.

- 1 | Syad Muhammad Shah, Lambardar of Thatha Ghilwan.

MONTGOMERY.

- 1 | Kamir, Zaildar of Mehrpur.
- 2 | Jahangir, Zaildar of Kohike Bahawal.

MIANWALI.

- 1 | Ahmad Khan, Lambardar of Dhandla.
- 2 | Paindu Shah, Lambardar of Chuni.
- 3 | Sardar Ahmad Khan, Zamindar of Ghandi Ali Khan.
- 4 | Sultan Khan of Gullu Garah.

LUDHIANA.

- 1 | Pala Singh, Zaildar of Ieru.
- 2 | Harnam Singh, Zaildar of Mohanpur.
- 3 | Sucha Singh, Zaildar of Ikolaha.
- 4 | Thakara Singh, Jagirdar of Bhavri.

I have mentioned in other places the officials from whom I have received assistance.

PART II.—URBAN SOCIETIES.

There are two Co-operative Societies established for the benefit of Simla clerks. The Simla Urban Society has a membership of 164 and share capital paid up of Rs. 8,598. Its current loans amount to Rs. 9,216. Its net profits for the year 1st July 1906 to 30th June 1907 only amounted to Rs. 341. This is due to the heavy but apparently necessary sums expended on establishment and printing of Rs. 316 and Rs. 93, respectively. Its management appears efficient, and the Simla clerks owe a debt of gratitude to Mr. J. T. R. Stark, its Chairman, and Mr. W. Kelly, the Honorary Secretary.

The Monotype Provident Fund is also making good progress.

The Ahsan-ul Akhlaq Lahore Society was established some years ago with the object of relieving its members from the high rate of interest paid by them when borrowings were necessitated by marriages, deaths and other domestic misfortunes. Its members numbering 79 are Muhammadan clerical employes stationed at Lahore. Its capital consists entirely of small monthly subscriptions. No interest is paid or taken. It has done and is still doing excellent work.

I regret that I am able to submit only Balance Sheets and Profit and Loss Statements of the Urban Societies. They have been accustomed to prepare only these statements. I have requested them in future to furnish also a statement showing their receipts and disbursements. No profit and loss statement is submitted for the Ahsan-ul Akhlaq Lahore Society, as it has no expenses and no income.

S. WILBERFORCE,

Registrar, Co-operative Credit Societies, Punjab.

STATEMENTS.

STATEMENT I.—GENERAL PROGRESS:

RURAL SOCIETIES.

Name of District.	Kind of Society:	NUMBER OF SOCIETIES		NUMBER OF MEMBERS.		REMARKS.
		At the beginning of the year.	At the end of the year.	At the beginning of the year.	At the end of the year.	
1	2	3	4	5	6	7
Gurdaspur... ..	Unlimited.	5	68	450	11,722	
Jallandar	Do. *	7	44	250	2,186	* The liability is limited in one Society.
Lyallpur	Do.	...	16	...	375	
Mianwali	Do.	7	15	566	929	
Hoshiárpur	Do.	5	8	99	628	
Ludhiána	Do.	...	7	...	408	
Gurgáon	Do.	...	5	...	306	
Multán	Do.	1	3	80	99	
Montgomery	Do.	1	2	90	241	
Karnal	Do.	2	2	20	66	
Gujránwála	Do.	...	2	...	49	
Amritsar	Do.	...	1	...	54	
Gujrát	Do.	...	1	...	191	
Total ..	...	28	174	1,525	17,254	

STATEMENT No. II.—RECEIPTS AND DISBURSEMENTS.

RURAL SOCIETIES.

Name of District.	Number of Societies.	RECEIPTS.										DISBURSEMENTS.								REMARKS	
		Opening balance.	Ten years' instalments towards the purchase of Shares.	Entrance Fees.	Short-term deposits by members.	Loan from Government.	Loans repaid by members.	Interest received.	Other Income.	Total income of year.	Total inclusive of opening balance.	Deposits withdrawn.	Loan repaid to Government.	Loans to members.	Interest paid on loans and deposits.	Establishment and Contingencies.	Other Items.	Carried to Reserve.	Total expenditure.		Closing balance.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Gurdaspur	68	2,503	50,864	11,553	20,130	20,450	27,650	1,881	...	1,32,528	1,35,031	1,742	...	1,20,624	12	822	...	...	1,23,200	11,831	
Jullandar	44	5,901	4,204	1,729	43,449	20,150	14,704	1,950	...	86,186	91,387	846	...	76,172	68	281	...	...	77,367	14,020	
Lyalpur	16	...	15,421	335	8,511	1,000	2,090	173	...	27,530	27,530	...	...	17,875	...	85	...	...	17,960	9,570	
Mianwali	15	1,500	1,757	63	...	...	3,272	276	...	5,368	6,868	...	...	4,915	...	11	...	...	4,928	1,942	
Hoshiarpur	5	5,272	4,974	537	4,715	2,000	5,345	481	...	18,052	23,324	220	...	16,705	95	92	...	...	17,112	6,212	
Ludhiana	7	...	...	240	9,759	...	549	29	...	10,577	10,577	...	...	6,842	...	55	...	...	6,897	3,680	
Gurgaon	5	...	2,342	150	475	...	457	36	34	3,494	3,494	...	...	2,311	...	38	...	...	2,349	1,145	
Multan	3	409	1,290	99	...	...	1,145	224	...	2,758	3,176	...	...	1,909	...	81	...	...	1,990	1,177	
Montgomery	2	4,035	2,040	108	8,632	...	3,285	903	...	9,268	13,303	...	...	8,459	...	48	...	...	8,507	4,796	
Karnal	2	559	...	27	...	...	1,591	192	...	1,810	2,369	...	...	2,053	36	...	...	...	2,089	280	
Gujranwala	2	...	750	49	432	...	180	6	...	1,417	1,417	...	...	1,273	...	24	...	...	1,297	120	
Amritsar	1	...	...	54	2,300	...	...	25	...	2,279	2,279	...	...	2,279	...	...	...	...	2,279	...	
Gujrat	1	...	1,875	...	50	...	...	...	...	1,925	1,925	...	...	1,230	...	...	...	...	1,230	695	
Total	174	19,479	85,817	14,944	93,353	43,600	60,368	5,476	34	3,03,192	3,22,671	2,808	...	2,62,647	211	1,537	...	...	2,67,203	55,468	

* Includes 1,000 advanced by Sir D. M. Hamilton.
N. B.—In these statements taxes and pias are omitted.

STATEMENT III.—PROFIT AND LOSS ACCOUNT,
RURAL SOCIETIES.

Name of District.	Number of Societies.	PROFIT.			Loss.				Net profit + or Loss -	REMARKS.
		Interest earned.	Other Items.	Total.	Interest paid and due.	Establishment and contingent charges paid and due.	Debts written off.	Other Items.		
1	2	3	4	5	6	7	8	9	10	11
Gurdáspur	68	6,001	...	6,001	948	..	...	...	+ 5,053	
Jullundur	44	4,581	...	4,581	2,211		...	...	+ 2,370	
Lyallpur	16	1,062	...	1,062	...		...	...	+ 1,062	
Miánwáli	15	563	...	563	...		...	...	+ 563	
Hoshiárpur	8	1,226	...	1,226	437		...	...	+ 789	Includes some small profits for the previous year.
Ludhiána	7	191	...	191	79		...	...	+ 112	
Gurgáon	5	95	...	95	...		...	...	+ 95	
Multán	3	310	...	310	...		...	...	+ 310	Do.
Montgomery	2	816	...	816	...		...	...	+ 816	Do.
Karnál	2	433	...	433	114		...	...	+ 319	Do.
Gujránwála	2	57	...	57	...		...	...	+ 57	
Amritsar	1	60	...	60	16		...	...	+ 44	
Gujrát	1	37	...	37	1		...	...	+ 36	
Total	174	15,432	...	15,432	3,806	...	...	...	+ 11,626	

The expenses of Societies are set off against entrance fees.

STATEMENT IV—BALANCE SHEET AS AT 30TH JUNE 1907.
RURAL SOCIETIES.

NAME OF DISTRICT.	Number of Societies.	ASSETS.					LIABILITIES.							Profit + and loss	Reserve Fund.	REMARKS.	
		Cash in hand and bank.	Loans due by members.	Interest due on column 4.	Other Items.	Total assets.	Loan from Government.	Ten years' instalments towards the purchase of Shares.	Deposits by members	Interest due on members' deposits.	Total due to members (column 9 to 11).	Establishment and contingent charges.	Other items.				Total liabilities.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Gadaspur	68	11,831	92,974	4,120	...	1,08,925	20,450	51,995	19,608	936	72,539	92,989	+15,936	...	Column 16 includes 131 of previous year. Do.—9 Do.—1143. Do.—40.
Jallandar	44	14,020	66,863	2,631	...	83,514	20,950	10,993	45,610	2,143	58,746	...	...	79,696	+3,818	...
Lyallpur	16	9,570	15,785	889	...	26,244	1,000	15,421	8,511	...	23,992	...	...	24,932	+1,312	...
Mianwali	15	1,942	4,134	287	...	6,363	...	...	4,615	...	4,615	...	...	4,615	+1,748	...
Hoshiarpur	8	6,212	13,464	745	...	20,421	4,000	6,243	8,602	342	15,197	...	...	19,187	+1,234	...
Lahiana	7	3,680	6,293	162	...	10,135	...	...	9,759	79	9,838	...	...	9,838	+297	...
Gurgaon	5	1,145	1,854	59	...	3,058	...	2,342	475	...	2,817	...	34	2,851	+207	...	
M Itan	3	1,177	1,806	86	...	3,069	400	2,341	...	...	2,341	...	...	2,741	+ 328	...
Montgomery	2	4,790	9,074	613	...	14,483	...	2,040	11,527	...	13,567	...	...	13,567	+916	...
Karnal	2	250	1,880	214	...	2,374	500	...	1,450	78	1,528	...	...	2,028	+346	...
Gujranwala	2	120	1,093	51	...	1,264	...	1,182	...	...	1,182	...	...	1,182	+82	...
Amritsar	1	...	2,279	35	...	2,314	...	...	2,200	16	2,216	...	...	2,216	+98	...
Gujrat	1	695	1,230	37	...	1,962	...	1,875	50	1	1,926	...	...	1,926	+36	...
Total	174	55,468	2,18,729	9,929	...	2,84,126	47,300	94,432	1,12,407	2,595	2,10,434	...	34	2,57,768	+26,358	...	

*Includes 1000 advanced by Sir D. M. Hamilton.

STATEMENT I.—GENERAL PROGRESS,

URBAN SOCIETIES.

Name of Society.	Kind of Society.	NUMBER OF SOCIETY.		NUMBER OF MEMBERS.		REMARKS.
		At the beginning of the year.	At the end of the year.	At the beginning of the year.	At the end of the year.	
1	2	3	4	5	6	7
Simla Urban Society ...	Cash Limited.	1	1	164	164	
Monotype, Simla Urban Society	Do.	...	1	...	36	
Ahsaul Akhlaq, Lahore	Do.	...	1	...	79	
Total ...	...	1	3	164	279	

BALANCE SHEET OF THE URBAN SOCIETIES.

Name of Society.	ASSETS.			LIABILITIES.						
	Loans to members.	Cash in hand.	Total.	Share capital.	Deposit by members.	Subscriptions.	Profit and Loss account.	Reserves for bad debts	Reserve Fund.	Total.
Simla Urban Society ...	9216	181	9397	8,598	72	...	434	46	247	9,397
Monotype Simla Urban Society.	620	359	979	907	...	...	60	...	12	979
Ahsaul Akhlaq, Lahore	3,113	4,295	7,408	...	...	7,406	...	...	...	7,406
TOTAL ...	12,949	4,835	17,784	9,505	72	7,406	494	46	259	17,784

PROFIT AND LOSS ACCOUNT OF THE URBAN SOCIETIES.

NAME OF SOCIETY.	INCOME.					EXPENDITURE.						Total.
	Balance brought forward.	Interest received.	Entrance fees.	Miscellaneous.	Total.	Establishment charges.	Other expenses.	Placed to reserve.	Do. for bad debts.	Dividend.	Balance carried forward.	
Simla Urban Society ...	464	738	11	37	1,250	316	129	86	40	239	431	1,250
Monotype Simla Urban Society.	...	78	...	14	92	32	...	...	...	...	60	92
Total ...	464	816	11	51	1,342	348	129	86	40	239	491	1,342