

APPENDIX No. 3

individuals strongly impressed with the usefulness of their labours for the cause they had espoused. The government in France, under Napoleon III., has tried the experiment, and has utterly failed in his attempt. The same thing has been done in other countries and the results have been nil.

Good liberal laws is the best weapon that can be put in the hands of those who wished to work out co-operation for the benefit of the masses.

TWO BASIC PRINCIPLES OF CO-OPERATIVE CREDIT.

The Paris Congress of 1900 passed the following resolution on the subject embodying their views upon the best methods to foster such a movement, and the very principles upon which these associations should be organized. They proclaim that private initiative and free local associations should be the foundation of such a movement of credit:—

‘The development of co-operative credit should spring from private initiative and from free local association. The observation of its development in the countries where it has grown confirms this view.’ (Page 15.)

CO-OPERATIVE CREDIT SOCIETIES IN INDIA.

This vast movement could not have escaped the attention of the world of high finance and of banking. The Bankers’ Magazine of London, England, thought it would be interesting to its readers and in its issue of February, 1902, pp. 253 to 257, published the following article signed by Mr. Reginald Murray, manager of the Commercial Bank of Calcutta, and member of the special committee appointed by the government of India in 1901. As coming from a financial and successful banker of considerable standing, the following lines penned by Mr. Murray carry a great deal of weight:—

‘Your readers have, of course, heard of the Raffeisen banks or societies on the continent, but few, perhaps, knows how successful they have been and how extensively they have assisted and attracted, by a system of mutual credit and responsibility the agricultural and industrial classes. As allusion has lately been made in the London papers to Mr. Sutton Nelthorpe’s Agricultural Bank in Lincolnshire, and Mr. Rider Haggard’s letter to the *Daily Express* has given so much information concerning the Raffeisen system, it is needless to include further description in this preface to the report of the Committee on Co-operative Societies in India. I have thought it advisable to preface this publication of the report with the above remarks, so as to show that there is in the United Kingdom, as well as in India, a state of things calling, not for monetary support, so much as intelligent organization. The conditions in India as regards wealthy banks and companies is, of course, quite different to those which obtain in the mother country, but the conditions as regards the great majority are not dissimilar, although the deserving majority are probably greater and more helpless out here than at home. The condition in India is aggravated by the fact that credit of a kind is granted to the suffering majority. But it is of a kind which leaves the recipients worse off than they were before and reduces them to the condition of bondsmen. The great majority in India are agriculturists, weavers and other industrial hand workers; also clerks on small salaries. The majority so-called, is very many times larger in India than in the United Kingdom, and probably the conditions approach more nearly to those obtaining in Italy. In any case, it is clear that if agriculture and industry do not pay the labourers they cannot be progressive, more especially in a country where the failure of an owner of property involves litigation which may be extended over several years before new proprietors can be admitted and obtain full rights.

‘Before transcribing the report of the committee which met at Simla last June, I beg to offer a few explanatory remarks embracing briefly the general intentions of the legislation proposed. I had the honour to be invited to serve on the committee