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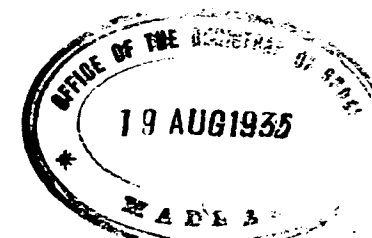
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JOURNAL OF THE ALL-INDIA CO-OPERATIVE INSTITUTES' ASSOCIATION

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EDITED BY V. RAMADAS PANTULU

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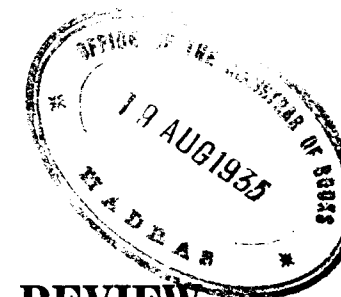
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THE INDIAN CO-OPERATIVE REVIEW

VOL. I.

JULY, 1935

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EDITORIAL NOTES

SILVER JUBILEE OF THEIR MAJESTIES.

We offer our humble congratulations on behalf of the co-operators of India to Their Majesties, King George V and Queen Mary, the Silver Jubilee of whose accession to the Throne has been celebrated throughout the Empire on the 6th of May. One of the outstanding events of the twenty-five years' reign of His Majesty is the phenomenal growth of the Co-operative Movement in almost all countries of the world. In India, in 1910, the year of His Majesty's accession to the Throne, there were only 5321 societies with a membership of 305058 and a working capital of Rs. 2,03,05,500. In the year 1935, the year of the Silver Jubilee of his reign, we have 105,262 societies with a membership of 4,282,884 and a working capital of Rs. 95,83,89,000. His Majesty's interest in the Co-operative Movement and faith in its potentialities for the good of the people of India were expressed in an unforgettable manner in his address to the people and princes of India at the time of the celebration of his Coronation at the Delhi Durbar, in 1911. His Majesty then said: "If the system of *Co-operation* can be introduced and utilised to the full, I foresee a great and glorious future for the agricultural interest of this country." The watch words of the message delivered by His Majesty on the Silver Jubilee Day, namely, "Confidence, Courage and Unity", also sum up the message of Co-operation. We wish Their Majesties long life and good health. It is our earnest hope that it will be their happiness not only to see our co-operative societies emerge successfully from the present difficulties and expand and bear fruit for the benefit of the people of this country, but also to see India herself emerge from its present state of dependency into a Self-Governing Dominion enjoying Purna Swaraj within the British Commonwealth.

RELIEF TO QUETTA SUFFERERS AND CO-OPERATIVE SOCIETIES

The response to appeals for the relief of sufferers in the Quetta earthquake, has been satisfactory so far, but the funds hitherto collected

cannot go very far to help the families of the victims of the catastrophe, and unless there is a nation-wide effort to help the survivors, adequate relief cannot be given to them. If the millions of India give their mite, however small it may be, much more can be accomplished than is possible merely by the liberal gifts of the rich few, which of course are very welcome and helpful. This is the co-operative ideal and co-operators may well set an example. There are 100,000 primary co-operative societies, 600 co-operative central banks and about 10 Provincial Co-operative Banks in India. If all of them exert to collect funds for the relief of the Quetta sufferers, a very considerable sum can be found. It is well known that most co-operative societies set apart a portion of their profits for purposes of "common good". The relief of distress is one of the statutorily recognised purposes for which the common good fund may be spent. There is, therefore, no impediment to co-operative societies all over India donating such sums as they can afford from out of their common good funds, for the relief of suffering in Quetta. If the Provincial Registrars and the Provincial Co-operative Banks send suitable circulars to the co-operative institutions in each province, there is sure to be spontaneous and generous response and we therefore earnestly appeal to them to issue such circulars.

CO-OPERATIVE EDUCATION

The subject of co-operative education is of topical interest in view of the grant offered by the Government of India towards that object to the Local Governments. We are happy to find quite a satisfactory response to our invitation for contributions on the subject. In fact it has been so great that we have not been able to publish a number of papers on other subjects that have been kindly sent to us and we are therefore obliged to hold over these for publication in future issues of our Review. Our readers will find in this issue co-operative education, including co-operative training, dealt with by writers of standing and authority in the different provinces—the conspicuous exception being Bombay. Various view points have been urged, problems presented and solutions suggested which will give the readers ample food for reflection. No one can be said to have given the last word on co-operative education; the problem is so complex and the conditions of provinces are so varied that it is by no means easy to furnish categorical answer to any question. It is necessary, however, to focus the serious attention of co-operators on some of the broader questions which suggest themselves to us on a perusal of the articles.

Whether the Department of Co-operation should be still saddled with the task of training its own employees, not to speak of the employees

of co-operative societies, and of educating the masses of members of societies, in respect of which an open confession of failure has been made in Bengal and impartial criticism by committees of enquiry has found other Provincial Departments more or less responsible for failure too; whether it would be better to recruit the permanent teaching staff of any training institution from among the members of the Department of Co-operation or Agriculture or independent persons with academic qualification and practical knowledge of the working of societies, though there need be no objection to indent upon either for occasional lectures; whether it is not necessary to demarcate more clearly the field of co-operative training of employees from that of co-operative education of masses and the public, who require a blend of propaganda and instruction in very attractive forms; whether it is not necessary to have a more intensive and prolonged training for employees of all but rural primary credit societies than the short courses which are seen in the Punjab, United Provinces and latterly Madras; whether in the case of the training of secretaries of simple village societies in short courses, the syllabuses do not need a simplification and cutting down as those ambitiously drawn up have no chance of being really followed in the all too short courses lasting for a few weeks; whether it is necessary for the movement to have complete control of all grades of co-operative education including the highest involving co-operative economic research or whether the latter may be entrusted in part or whole to universities which may be aided by endowments if only to get an objective estimate of the working of the movement; whether there should be an All-India Co-operative College or Research Institute or Provincial Co-operative Colleges, affiliated or not to the Universities; whether it is not time to insist on the co-operative societies to recruit their staff from among the trained persons available except in the case of new types of societies; and finally the best method of finding regular and adequate funds within the movement for the building up of a permanent edifice of co-operative education; many of these questions have been raised or briefly dealt with in the articles that follow. They will all bear more discussion in the light of experience so far gained or the circumstances that confront each province. Well-informed criticisms and constructive suggestions are welcome, if they be brief and pointed.

VILLAGE INDUSTRIES AND CO-OPERATION.

The potentialities of numerous industries of village and domestic type which are still capable of supplying many simple wants of the masses of this country, are well brought out by Dr. Pattabhi Seetharamiah in an article on the Village Industries of Andhradesa which we

have the pleasure to publish in this issue. Surveys of such industries have been made by Provincial Governments; and the Provincial Banking Enquiry Committees have also suggested lists of industries that can be revived or improved. Recent writers on economic planning, like Sir M. Visvesvaraya, have given us an idea of the handicrafts and cottage industries whose pursuit can be taken up by large sections of the population. There is little disagreement among Committees and individual writers on the need for reorganisation of village industries.

But unfortunately there is not the same agreement on the methods of reorganisation and the particular industries to be chosen for encouragement. The Royal Commission on Agriculture, anxious to find subsidiary occupations for agriculturists, felt bound to say: "Even with the aid of new ideas and assistance in training and marketing, the contribution which several rural industries can make in reducing the heavy pressure on the land is infinitesimal, and in the nature of things they cannot as a rule hope for ever to survive the increasing competition of organised industries." Some of the Provincial Banking Enquiry Committees have struck an equally pessimistic note. Sir M. Visvesvaraya in his *Planned Economy for India* is an unhesitating advocate of "shifting the task of production, as far as possible, from industries manipulated by human labour to industries operated by machinery, by standardising commodities and by narrowing individual tastes to suit the methods of mass production." Indeed, there are publicists who actually ridicule the idea of the Village Industries' Association and the ideals for which it stands.

We feel that those who, in their zeal for rapid industrialisation of India, organised, planned and worked on methods in operation in industrial countries like the United Kingdom, U. S. A. or Japan, ignoring the potentialities of the village and domestic type of industries in India, do not fully realise the extent to which the latter still give employment to the masses in this country and the impracticability of finding employment for the bulk of them in organised factory industry. When, for instance, it is said that in or about 1930 for which statistics are available, the number of industrial establishments in India was about 9,500 as against 100,000 in the United Kingdom or 175,000 in the U. S. A. or that only 10 per cent of the working population of India was employed in all classes of industries as against the 47 per cent in the United Kingdom or 41 per cent in Germany, we are inclined to say that millions who pursue some handicraft, either as a main or subsidiary occupation and make articles of domestic utility not for profit but for use in India, are left out in this computation. We do not mean to say that these occupations are either remunerative or ensure even a tolerable standard of life to those who

pursue them. But they do provide some sustenance to many who will not get into the economic surveyors' statistics of people employed in industries. It must be news to many economists to be told by Dr. Patabhi Seetharamiah that hand pounding of a bag of paddy and cleaning the pounded rice provides food for a dozen souls for one day, or in other words, that the wages earned in the very process of preparing rice by manual labour for the consumption of 200 persons will feed a dozen in addition, while if a bag of paddy is hulled in a mill 8 out of these 12 will lose their day's food. Nevertheless, it is a fact and our rural economy is based on the conglomeration of many such little facts, which it is folly to ignore.

It must be evident to every Indian economist that attempts at "economic planning" wholly modelled on plans in operation in Europe, America or Japan meet with peculiar difficulties in India, arising from her political and economic status, apart from the limitations under which even self-governing countries are labouring in evolving their policies of economic nationalism. Moreover, even in highly industrialised modern countries like Germany and Japan, there is an increasing tendency to develop productive activities through small scale industrial establishments, so as to create employment for as large a section of the population as possible. It is said for example, that in Germany 90 per cent of the industrial establishments deal with small scale industries and employ about two fifths of the entire population and that in Japan more than half the number of factories employ only five to nine workers. Speaking of the experience of agricultural countries in Europe, the United Provinces Banking Enquiry Committee said: "*A system of farming combined with industry* which gives regular employment throughout the year enables the agricultural countries of Europe to maintain a density of 200 to 300 persons to the square mile. In our province, where agriculture cannot normally employ the population for more than seven months in the year, the need for rural industries as subsidiary occupation for agriculturists is far greater."

So, while we fully realise the need for increase of industrial production and displacement of foreign imports by indigenous manufactures and are alive to the fact that such increase through the establishment of new industries and expansion of existing ones is the most potent means of increasing the purchasing power of the people, we plead that in our attempt to meet the competition of organised industries from abroad by a similar organisation of industry in the country we must not jeopardise the very existence of the millions who are still employed in village industries. In any scheme of planned economy for India, lack of balance of occupation in Indian villages cannot be wholly set off against an in-

crease in the number employed in the organised industry, which thrives on mechanisation. It is, we believe, on considerations like these that while statesmen and economic planners abroad concentrate on Protection, Trade Regulation, Devaluation of Currency and the like in connection with the shaping of their national economic policies, Mahatma Gandhi exhorts his people to turn their attention to village industries and appeals to their spirit of Swadeshism as the most effective protection to them. The implications of this Swadesi spirit or "*Khaddar mentality* and *Khaddar outlook*" as Dr. Pattabhi Seetharamiah calls it, are not merely commercial, but they are as much social, cultural, artistic and aesthetic. The determination, therefore, to pledge oneself to the use of articles of indigenous manufacture involves one leading "a conscious life in a conscious manner every moment."

If the outlook and the conditions outlined above are forthcoming, we believe that Co-operation offers the most suitable and effective solution for the re-organisation of more than one industry of the village and domestic type. The benefits of co-operation can be extended to individual artisans as well as groups of them engaged in these industries. Among Committees and Commissions as well as individual economists who have examined the question, there is a consensus of opinion in favour of the co-operative method for the reorganisation of these rural occupations. Co-operation, besides providing finance, can render other modes of assistance such as imparting new ideas and instruction in improved processing. In marketing of the goods too, the co-operative method has obvious advantages, provided we realise that the sale for the products of such industries must be largely in and around the places where they are produced.

AID TO HANDLOOM INDUSTRY.

We are glad to learn that steps are being taken by the Provincial Government in Madras to organise handloom weaving (with printing and dyeing) on a co-operative basis. It is proposed to utilise the grant by the Government of India for the purpose and to supplement it by local capital. A sum of Rs. 59,500 is said to be available from the Government of India's grant for 1935-36. A Provincial Handloom Co-operative Weavers' Society, with headquarters at Madras, will soon be established with an authorised capital of Rs. 5 lakhs, made up of 10,000 shares of Rs. 50 each. In addition to the Weavers' Societies which now exist and which may affiliate themselves to the Provincial Society, new societies with not less than 50 members each will be formed. It is expected that at least 30 such societies will be organised to begin with. The scheme will be worked under the supervision and control of the Departments of Industries and

Co-operation but the actual management will be entrusted to a Board of non-official directors. We publish elsewhere the scheme of the Madras Government and the draft bylaws of the Provincial Co-operative Handloom Weavers' Society. We understand that similar schemes are being formulated in other provinces too.*

It was estimated by the Tariff Board that about 2.5 millions of handlooms are working in this country and that about 10 millions of people are still supported by the industry wholly or partly. It may be mentioned in this connection that the textile mill industry gives employment to about four lakhs of people and supports about one million people. Cloth worth about Rs. 40 crores is produced annually on the handlooms in India, while the share of the mills is about Rs. 65 crores. These figures are enough to show that hand weaving, which is essentially a village industry to the people of this country, is still of vital economic importance notwithstanding the fact that it has been seriously affected by the power loom. But, the path of preservation and the progress of handloom weaving is not smooth. To-day events have so turned out as to make the Indian powerloom and not Lancashire's or Japan's the enemy of the Indian handloom, particularly after the abolition of the excise duty on Indian mill-made cloth. The imposition of import duty on yarn as well as cloth imported into India has made Indian mill-made yarn on which Indian handloom has now mainly to depend much dearer to the handloom weaver than the imported foreign yarn was in the pre-duty days.

We, therefore, hope that adequate steps will be taken to remove this handicap on the handloom. The most effective solution lies in making a suitable adjustment in the spheres of production of cloth on the handloom and powerloom or in the alternative in fixing a quota. We prefer the former solution. It is feared by some competent authorities that in

* A five year plan is in operation in the United Provinces, one of the features being direct assistance to weavers. A survey of the industry has been proposed with a view to the selection of chosen centres for intensive work, which will include designing. In Bengal the lines of development follow in the main recommendations of the Industrial Commission of 1914-16 which laid stress on co-operative organisations. A good number of weavers' societies have been already formed and arrangements have been made for capital for buying raw materials and for marketing the finished product. The Co-operative Department of the Government of Bengal is devising ways and means for strengthening the structure of co-operative Industrial Unions of Weavers. In the South the Industries Department has been assisting weavers to improve the technique of weaving, to accelerate production and to reduce cost of manufacture. In all provinces the fundamental elements for reviving the industry are the same with local variations—*Indian Finance*, 22nd June 1935.

the absence of some such adjustment, it may be difficult to arrest the further deterioration of the handloom weaving industry.

There is of course the question whether handspinning cannot be encouraged and developed as a spare time occupation by millions of rural population who are not fully employed for several months in the year, in order to supplement the supply of mill yarn to handlooms by hand spun yarn. Mahathma Gandhi's dream is to ensure the entire supply of such yarn to handlooms through the *charka*. We understand that in Assam and Bihar some good work has been done in the promotion of handspinning and supplying the handloom with hand spun yarn. In a recent issue of the *Harijan*, Mahathma Gandhi has drawn attention to the fact that commercialisation of Khaddar has led to the exploitation of the spinner by cutting down his wage in the interests of the weaver and the dealer. If the spinner is paid an adequate wage and encouraged, he will produce good hand spun yarn.

CO-OPERATION AND SUGAR INDUSTRY.

The co-operative method is being adopted in regard to another very important industry, namely, the sugar industry. Mr. N. C. Burt, the expert adviser to the Imperial Council of Agricultural Research, in a paper which he recently read before the Royal Society of Arts in London is reported to have said that the "real problems of the industry are closer co-operation between factories and growers and a practical realisation of their community of interest." If the co-operative sugar concerns succeed, as we have no doubt they will, Mr. Burt's ideal of closer co-operation between factories and growers will not only be fully realised but the factories themselves will be owned by the growers, totally displacing the capitalists and the middlemen in the industry.

The Vizianagram Co-operative Central Bank and the Madras Provincial Co-operative Bank are financing some co-operative sugar concerns in the province of Madras, which are exclusively owned by the growers of the sugarcane which is crushed. In other words, the producer of the cane is himself the manufacturer of sugar. The experiment is being watched with interest. The Finance Member of the Government of India promised in March 1934, when he imposed excise duty on sugar, to set apart a portion of the proceeds of the duty for encouraging co-operative sugar concerns. We hope that the help in this direction will be substantial.

About the future of the industry, Mr. Burt is reported to have made the following observation:—"Attempts are being made from several angles to organise the industry to serve the huge Indian market. Fac-

tories are using steam tramways; co-operative factories have been started and an Information Bureau is functioning. The season 1935-36 will see about 145 modern factories in operation, with an estimated combined capacity of 810,000 tons annually. There is no room for expansion in Northern India; in the South and Bombay expansion is likely to be gradual. India's average consumption of factory sugar for the five years ending 1931 was 981,000 tons. During the present agricultural depression, the sugarcane crop is relatively economic, giving employment throughout the year. The growth of the industry has added substantially to the cultivator's slender resource."

Sugar industry is essentially an agricultural industry. It must be remembered that only a very small fraction of the cane grown in India is consumed in sugar refinery industry and the bulk of it is used for manufacture of *gur* (jaggery). In 1932-33, out of about 50 million tons of cane grown in India, about 5 million tons of cane only were consumed by sugar factories, while 35 million tons were used for making *gur*. The one million tons of sugar which Mr. Burt says represents our maximum annual consumption does not require more than 12 to 15 million tons of cane if recovery is put at 7 or 8 per cent. So the village industry of *gur*-making has ample scope for its activity and has to be fostered in order to ensure that cultivation of sugarcane does not decrease to the prejudice of the agriculturist. The sugar-cane grower may be organised on a co-operative basis and in fact there are some co-operative societies of sugarcane growers for production of cane now working in India.*

MYSORE VS. MADRAS STORES.

As was stated in a contribution on consumers' societies in India in our last issue, Madras and Mysore provide the two outstanding instances of success in this branch of the movement. The Triplicane Urban Co-operative Society in Madras is singly by far the most successful society. Mysore State has some large successful societies, notably in Mysore and Bangalore cities. Putting together members of all societies, each of these two cities claims membership equal to that of the T. U. C. S., though the transactions are smaller. The premier store, the T. U. C. S., has indeed something to learn from the Bangalore Stores. The Bangalore City Society and the Malleswaram Society have their own buildings, built specially to suit their needs (unlike most of the buildings of the T. U. C. S.); they keep their stock and arrange their things for sale in

* See article by Mr. J. P. Srivastava, B.A., on "Co-operative Organisation of Sugar-cane Growers", July (1935) issue, B. & O. Co-op. Journal, p. 358.

a much more attractive manner than the T. U. C. S., and they sell besides provisions a large variety of articles, such as cloth, foot-wear, stationery and medicines, their motto being that they should be self-contained, the members not needing to go anywhere else for most of their wants.

While in all these respects they are superior to the Madras Stores, we believe that in two important respects, one of them being a distinct departure from the principles of Rochdale, they lag behind Madras. They have each a banking branch and they are selling goods for credit. Two-thirds of the sales are usually on credit, only one-third are for cash. Credit purchases may be paid for in two instalments in the case of provisions, etc., while in the case of cloth payment in four instalments is allowed. In spite of the greater homogeneity of members than in the T. U. C. S., the members fall in arrears, defaulters' committees are set up and overdues is a problem with them. The members, we have heard, are not always satisfied with goods sold and yet they resort to the societies for purchase because they get credit. Once in debt always in debt is the tendency. All this in spite of the attraction offered by way of a heavy discount of 3 to 6 pies per rupee of cash purchases. Though Gladstone is said to have praised the Rochdale stores for their cash sales, credit sale is not now tabooed in higher co-operative circles abroad and cash trading is not elevated into a *principle*, but is undoubtedly a safer practical rule of business.

The more serious and startling departure from the Rochdale system is that of selling goods at cost price plus a definite charge of half to one anna per rupee for overhead expenses, etc. Sale at market price is *not* the rule. Complaints naturally are frequent when the ruling market price is lower than that of the society, though the members still feel tied to the society if only because of credit. When the market price is higher, non-members may buy through members and the society may be losing potential gains of timely purchases. The store societies of Mysore State cannot enable members to realise in full their advantages compared with local markets; and they do not themselves offer a fair basis of comparison with the co-operative stores in Madras or elsewhere.

We heartily support the advice tendered by the Co-operative Department in Mysore to such societies as noted in the latest Administration Report of the Registrar. "It has been suggested to them to separate the accounts and profits of the two sections (Banking and Store) and to introduce the system of cash sales only in all store societies. Surplus profits are asked to be paid on custom and sale prices fixed more in accordance with prevailing market rates."

WAGE-EARNERS' BILL AND CO-OPERATIVE SOCIETIES.

As a result of the recommendations of the Royal Commission on Labour, the Government of India, in 1933, referred to various public bodies for opinion a proposal that all industrial workers earning less than Rs. 100 a month should be exempt from arrest and imprisonment for debt, unless it is found that the debtor is unwilling to pay though able to do so. In April this year, the Government of India introduced a bill in the Legislative Assembly to amend the provisions of the Civil Procedure Code relating to the attachment of salaries of public officers, servants of railway companies and local authorities, as well as the salaries and wages of labourers of all classes including domestic servants, whether payable in money or in kind. The Royal Commission on Labour expressed the view that indebtedness prevailing among certain class of workers was due mainly to the credit enjoyed by them and the facilities afforded to creditors by the law to attach their salaries and wages. The Commission recommended that wages and salaries of workmen receiving less than Rs. 300 a month should be entirely exempted from attachment. The bill introduced by the Government of India however proposes (1) that salaries not exceeding Rs. 100 a month of all classes of workers should be totally exempted from attachment; (2) that the pay of servants of Government, railway companies and local authorities getting more than Rs. 100 a month should be totally exempted to the extent of the first hundred rupees and one half of the remainder; and (3) that while the attachable portion of the pay of the servants of Government, railway companies and local authorities should remain as at present liable to attachment, the period of attachment should be restricted as follows, namely, that after the debtor's pay has been attached for a total period of two years (in one or more periods) no further attachment should be possible in favour of the same decree or in favour of any other decree until twelve months have elapsed. It will be seen that a real and substantial differentiation is made between servants of the Government, railway companies and local authorities on the one hand and other classes of workers on the other, in regard to the limit of the salaries liable to attachment as well as the provision for intermittent and continuous attachment.

All these proposals will affect co-operative societies equally with other creditors. The Bill further takes away the privileged position of co-operative societies under the existing provisions of section 60 of the Civil Procedure Code, which exempt from attachment salaries up to Rs. 40 and below of debtors of ordinary decreeholders, while in the case of a co-operative society holding a decree against a debtor, such exemption from attachment is only in respect of salaries up to Rs. 20 and below. We are of opinion that the Bill will have a very far reach-

ing effect on the future working of Employees' Co-operative Societies. The facilities which they at present enjoy for regulated and beneficial credit will greatly be curtailed. These are voluntary organisations, whose bylaws and rules are subject to scrutiny and approval by responsible co-operative officials and there is no harm in permitting them to be governed by their own bylaws and rules in regard to recovery of loans. We would urge on the Government that formation of employees' co-operative credit societies for public officers, servants of railway companies, local authorities and other recognised organisations who employ labour should be encouraged, and that steps should be taken gradually to confine the borrowings of this class of employees to such societies. When sufficient number of such societies are formed, it is desirable to undertake legislation to withdraw even the limited privilege given by the bill to outside creditors to attach portions of their salaries in excess of first Rs. 100, co-operative employees' credit societies alone being given such privilege to such extent and subject to such limitations as may be prescribed by the Government. If the Government departments, railway companies, local authorities and other recognised organisations which employ labour co-operate with these employees' credit societies and enable them to recover the loans advanced to their members in convenient instalments from the salaries and wages, the societies are bound to prove very beneficial. Very low rates of interest, at 3 or 4 per cent. may be charged on these loans, for these societies, if well managed, will have ample quickly circulating capital of their own and need not depend upon outside capital. At present, such societies lend to their members sums not exceeding three to five times their salaries, for special items of expenditure which cannot normally be met from their salaries, and recover them in monthly instalments. In some areas, such societies are working very satisfactorily. We, therefore, hope that the Government will encourage the formation and working of such societies, for the economic benefit to their members is real and unquestionable.

CENTRAL CO-OPERATIVE BUILDING SOCIETY FOR MADRAS

We publish elsewhere extracts from a note circulated by the Registrar of Co-operative Societies, Madras, embodying proposals for the formation of a Provincial Co-operative Building Society and raising long term money required by co-operative house building societies. A conference of the representatives of co-operative house building societies and other co-operators, merchants and bankers interested in the scheme was held to discuss the proposals and Mr. T. Austin, I.C.S., the Registrar of Co-operative Societies, in opening the Conference, made a very lucid

and explanatory statement on the scheme, extracts from which are also published. The building societies in the province of Madras have been financed by the Government of Madras since 1923 and during the last twelve years, the Government have advanced to such societies nearly Rs. 40 lakhs and on 31st of March this year, about Rs. 17 lakhs were outstanding against them. There are over 100 such societies now working with a membership of about 4,000 and a paid up capital of about Rs. 9 lakhs. The Government now evidently wish to totally discontinue the financing of the co-operative building societies and to bring into existence some organisation to shoulder the responsibility. Indeed, during the last three years, the loans advanced to building societies have been considerably reduced. While annually a sum of about Rs. 4 lakhs was advanced from 1923-24 to 1930-31, the amount of such loans was reduced to about a lakh per annum in the last three years. The Registrar's scheme contemplates the formation of a Provincial Co-operative Building Society for the province to finance the house building societies all over the province. The necessary funds are to be found partly by raising share capital and partly by issue of debentures. The Government have definitely stated that they would not give any guarantee in respect of the debentures to be issued by the Society. It remains to be seen whether they will purchase any debentures to enable the society to raise funds at least in the early stages. At the Conference more than one speaker laid stress on the duty of the Government to give financial aid of some sort to the proposed society. The Central Society, besides providing finance for the primary co-operative house building societies, functioning in the Province, is expected to give expert advice in regard to plans, estimates and methods of construction and to ensure some sort of co-ordination of work of these primary societies. The scheme is of more than provincial interest and we shall examine it in our next issue.

CO-OPERATIVE EDUCATION IN INDIA¹

A COMPREHENSIVE SCHEME

By

MR. V. RAMADAS PANTULU.

In attempting to formulate my scheme of Co-operative Education, I do not propose to deal with the question of creating literary or vocational educational facilities for co-operators and their children or for the masses in general. It is true that "Co-operation" in most countries has so allied itself from its very inception with Education as to make them inseparable allies. Indeed to-day the contribution of British co-operators and of co-operators in some other western countries is notable for the conception of "co-operative action going beyond its immediate objects and connecting the co-operative movement with the general social movements for class emancipation" by providing education among other blessings to the workers. In many countries where co-operation has created this demand for educational facilities, the State and other public authorities have however taken over much of this general educational work of the co-operative societies. Co-operative societies in India may try to create a similar demand for educational facilities and supply them to the limited extent they can. The good work that the compulsory education societies and co-operative adult schools in the Punjab and certain other parts of India are doing is an example of co-operative endeavour in the field of general education of the masses. While the importance of this educational aspect of co-operation cannot be denied, I feel that the co-operative organisations as constituted and conducted in this country, with their extremely slender finances and still more slender human material, cannot attempt much in the way of promoting general education among the masses. It must largely be the work of the State, Local Bodies and other agencies. In any case, my purpose on the present occasion is to deal with co-operative education in the sense of the teaching and propagation of the principles and methods of co-

1. The views expressed in this article are purely personal and the All India Co-operative Institutes' Association and the *Indian Co-operative Review* are in no way committed to them.

operation, training of men and women "as units in the co-operative army able to work intelligently, individually and in groups, for the realisation of co-operative ideals"—the creation of informed enthusiasts in the cause of co-operation.

EXISTING FACILITIES FOR CO-OPERATIVE EDUCATION.

The one defect in the co-operative movement, more than any other, emphasised in the discussions at the meetings of the Standing Committee of the All-India Co-operative Institutes' Association, is the lack of understanding of co-operative principles among the members of the co-operative societies and the paucity of men adequately trained in co-operative theory, law and practice. Pointed attention was also drawn to this regrettable feature of the movement by almost every committee that had to report directly or incidentally on the progress of co-operation in India.² This complaint at once leads to the enquiry, what are the facilities that now exist for co-operative education and training in the different provinces in India? One of the functions assigned to the Co-operative Departments in the different provinces is to train members in the principles of co-operation and rural finance and it is claimed that it has been a plank in the departmental policy all along. Local classes for the training of panchayatdars, supervisors and other workers have also been set up in almost all provinces and either departmental inspectors or teachers engaged by co-operative institutions have been carrying on this educational work. Later on in most provinces regular institutions have been set up for imparting knowledge to the students thereof in co-operative theory, law and practice as well as in elements of banking, accountancy, audit and allied subjects, with a practical course often following the theoretical course. Rural economics is sometimes included in the syllabus. The main object of these institutes is to equip those who are trained therein with the necessary qualification for recruitment to service in the co-operative departments and non-official co-operative organisations. It is unnecessary for me to give an account of the existing facilities for co-operative education in the different provinces, for co-operators who possess a first-hand knowledge of the institutions in their provinces have contributed informing articles on the subject to this issue. In some provinces like the Punjab and United

2. Vide Reports of the Maclagan Committee (para 30); of the Townsend Committee on Co-operation in Madras (para 61); of the Linlithgow Commission (para 373); of the Provincial Banking Enquiry Committees (Bombay, paras 208 and 209; Madras, para 340; the Punjab, paras 351 and 352; and Bihar and Orissa, para 291); and of the Indian Central Banking Enquiry Committee (para 772).

Provinces, it is said that the training courses prescribed are better and more elaborate than elsewhere. It is specially claimed that the standard aimed at in the training of co-operative officers at Gurdaspur and Lyallpur in the Punjab and Partabgarh in the United Provinces is the best in India. The difference between these courses and those in other provinces is however one of range and efficiency and not of the system. These institutions, by whatever name they are locally called, are essentially training schools to equip men for administrative and business employment. Even where such training institutes are run by Co-operative Federations or Institutes, who look after co-operative education and propaganda in their provinces, they are virtually conducted or regulated by the Department. It is needless to enquire how far the Departments of Co-operation in the different provinces and the training institutes organised and controlled by them have succeeded in their attempt to effectively spread genuine knowledge of the principles of co-operation among the members of societies, for it is generally conceded that such knowledge is lacking and the weakness of the movement is chiefly attributable to that cause.

Besides the facilities mentioned above, there is some provision for education in certain phases of co-operation in the secondary and university educational system in the country. 'Co-operation' in its economic aspects is included in the economics courses for the B.A., pass and honours degree examinations, and in some universities special papers are set in this subject. In the Economics Departments of some Universities, Agricultural Economics and Co-operative Banking are receiving increased attention. Lessons on Village Economy and Co-operation are being introduced into elementary and secondary school text books in the language subjects. But this kind of incidental and subsidiary place for the study of some parts of 'Co-operation' in the secondary and university courses, though of undoubted benefit and must be continued and strengthened, is obviously not sufficient to produce experts in co-operation who can rightfully claim to occupy the place of teachers of co-operation, in its true and comprehensive sense, and to train men and women co-operators who can wield co-operation as a new social and economic force in our national reconstruction.

IDEALS, OBJECTS AND AIMS OF TRUE CO-OPERATIVE EDUCATION.

I feel that there has been all along something fundamentally defective in our outlook and conception in regard to co-operative education. We have, it is true, syllabuses and curricula for instruction in theory and practice of various standards suited to different grades of employees of societies or officials of the departments. It is true that we have been

constantly improving our books and forms and training our employees to keep them correctly and handle them efficiently. Is all this co-operative education? It may be education to enable employees of co-operative societies to discharge their routine duties of collection, distribution, book-keeping, remittance, inspection and audit, like employees of any other business concerns. Will this education help to produce co-operators, whose daily activities are pervaded by that idealism and ideology associated with co-operation and behind whose work there is not merely the stimulus of the coin but of that exalted sense of duty which ought to animate and inspire a genuine co-operator? There is business in co-operation, it is true, but it is business in which one who is first a co-operator must be trained.

Co-operation is essentially a new social philosophy whose aim is to effect a real revolution in the existing economic practice. As a biographer of Charles Gide put it, "Co-operation has proudly pitched its camp facing on the one side the liberal school of classical economists and on the other the Marxian doctrines in the ascendant for the last fifty years." It is a movement which involves strenuous struggle against the existing social system built on the institutions of merciless competition and individual profit. Its definite aim is to bring about the economic emancipation of the masses by methods which radically differ from those of capitalism and socialism. Co-operation is part of a larger movement of national reconstruction based on the ideals of economic freedom achieved through associated effort of the most equitable kind. It is also expected to train its members in the theory and practice of self-government and to develop in them the highest virtues of citizenship. Self-reliance, self-help and service are its cardinal virtues and the watchwords which His Majesty used in his Silver Jubilee message "Confidence, courage and unity" also sum up the message of Co-operation.

It is to rouse the consciousness of the people to these ideals and aims that the Owenites as well as other early co-operators of the nineteenth century devoted as much attention to the *education* of their members as to the *business* of co-operation. It is the educational ideals of those early co-operators in fact that created the germs of the underlying motive of what in Europe they call to-day "independent working class education." It was not the education which trained men and women in competitive profiteering business or fitted them up merely to subserve the ends of the employer that western co-operators wanted. In appealing for the formation of a Mechanics' Institute in London, Thomas Hodgskin said in 1823, that "it would be better for men to be deprived of education than to receive their education from their masters; for education in that sense is no better than the training of the cattle that are taken to the yoke." This spirit has been maintained

all through by western co-operators and is as much in evidence in 1935 as it was in 1823.

I maintain that so far our objective has not been to create or foster this spirit so as to help the reconstruction of our social and economic structure through "co-operation" and to produce teachers of co-operation who can train men and women who live the conscious life of co-operators consciously at every moment, while they take part in such social and economic activities. We must therefore turn to other countries to see on what pedestal they have placed their co-operative education and how they have defined its objects. In the absence of any ideals and objects of co-operative education peculiar to India, we may fairly assume that what is accepted and adopted in England will generally apply to India as well. If so, it will be instructive to know how the premier co-operative educational institution in England, the Manchester Co-operative Union, has defined the objects of its educational programme. In presenting that programme for 1934-35, the Manchester Union has stated its aims in these words: "The objects of co-operative education are primarily the formation of co-operative character and opinions by teaching the history, theory and principles of the Movement with economics and industrial and constitutional history in so far as they have a bearing on co-operation and secondarily, though not necessarily of less import, the training of men and women to take part in industrial and social reforms and civic life generally."³ Applying these tests to India, students of co-operation in India must be given a grounding in *Indian* economics, the various systems of production and distribution in practice and their relative merits and *Indian* industrial and constitutional history in particular along with that of other countries in general; and they must be trained to take part in *Indian* industrial and social reform activities and India's civic life generally. The introduction to the Manchester syllabus of education goes on to say that economic prosperity, social welfare and moral progress can be actuated only by "the development of the desire and of the ability to co-operate for the com-

3. This is by no means a new idea of British Co-operators. At the Gloucester Co-operative Congress held in 1875, Professor Stuart said: "If the mass of our members are not sufficiently instructed in Economic Science, in the facts of commerce, in the state of this and other countries, in the history of trade, in *general knowledge of what you aim at and how you seek it*, I say if the mass of our members are not sufficiently instructed in these things, there arises a real danger to the co-operative movement. Your members become a hindrance and your possessions become a peril and your productive endeavours will continue to be a failure which they too often hitherto have been."

mon good," and that such a development imposes a great responsibility on those who are concerned with the direction and extension of co-operative education. I do not believe that any co-operator in India will claim that co-operative education in India has hitherto been directed to these ends successfully.

DISSOCIATE DEPARTMENTAL AGENCY FROM CO-OPERATIVE EDUCATION.

What shall be our plan of co-operative education which will enable us to realise the aims and objects set out above? The first and foremost reform I urge is the complete dissociation of the Co-operative Departments and official agency from co-operative education⁴. Frankly speaking, I must say the Departments of Co-operation are not in a position to shoulder the responsibilities for educating the people in Co-operation. It is not my intention to minimise the value of educational work hitherto done by the Department of Co-operation. It had its use in the early stages of the movement, but it has outlived its usefulness for the Movement has reached a stage of development when a completely new orientation should be given to co-operative education. The role of the Registrar as the friend, philosopher and guide of the Movement must be now viewed and interpreted in relation principally to his position as the administrative head of the department and to his multifarious duties in that capacity. The administrative functions of the departmental official have grown enormously and his activities in

4. I am glad to find that there is a general consensus of opinion in favour of this view among the contributors to this issue on Co-operative Education. There is also some expert opinion of committees to the same effect. The Indian Central Banking Enquiry Committee said "The Provincial and the Central Co-operative Colleges should not be Government institutions. The question of their establishment should be left to organisations conducted by co-operators themselves, though Government may assist them by means of grants." Vide para 779.

The Townsend Committee on Co-operation in Madras also recommended that Co-operative Education should be left to non-official endeavour. They said: "Dealing first with the education of non-officials in co-operative principles, we consider that this should be the duty of a central non-official body working through the federations and co-ordinating their activities . . . Government should give it a grant-in-aid." Vide para 51.

The special reference to education of *non-officials* in co-operative principles by the Townsend Committee is due to the official view that prevails in Madras that recruitment to departmental staff should be from among those trained in official institutions or who have passed examinations prescribed by Government and not from those who are trained by institutions under non-official control or who go through syllabuses prescribed by them. It is my hope that there will soon be a healthy change in this official view-point in Madras.

the field of co-operative education can at best be spasmodic and mechanical. The very efficiency of the administrator, with all that "control" over the Movement which "administration" involves and implies stands in the way of his being a good instructor and inspirer as well. I have said enough to show that the primary aim of co-operative education is to bring about a change in the psychology of the masses, so as to change their outlook on life and their standard of living, which involves the creation of a sense of *discontent* with the existing social and economic conditions of their life and environment, without which no improvement is possible. No administrative official in India would attempt this task, as Sir Malcolm Hailey frankly conceded in his Foreword to Mr. Brayne's book on Rural Uplift in India. Moreover, the proper handling of economic and social problems from the correct standpoint of co-operation may bring the teachers of co-operation into conflict with the policies of the Government, which not infrequently clash with the aims and principles of co-operation. Discipline and not freedom of thought will, naturally, and perhaps rightly too from the Government's standpoint, be the characteristic attribute of a departmental instructor. But co-operative education does not thrive or bear fruit in such a soil. It, therefore, behoves the Departments of Co-operation in fairness to the movement and in fairness to themselves to advise their Provincial Governments to relieve them of the functions of co-operative education and to entrust it to hands other than official.

THE SCHEME.

With the above statement of the ideals, aims and objects of Co-operative Education and on the assumption that the conditions for their realisation will be forthcoming, I venture to suggest a scheme for the consideration of the co-operators in India in general and of the All-India Co-operative Institutes' Association and its member Provincial Institutes in particular. I wish to make one further reservation. I have never failed to emphasise the fact that any scheme connected with the Co-operative Movement may not be wholly suitable to the needs and conditions of all provinces alike and that there must be ample freedom to modify or alter the details of any scheme to answer the requirements of the particular province or to fit in with the general structure of the co-operative organisations therein. This reservation will equally apply to my scheme of Co-operative Education. My scheme of organisation of co-operative education will consist of six parts: (1) An All-India Research Institution; (2) Provincial Colleges of Co-operation; (3) Training Institutions for Employees both of the Departments of Co-operation and non-official co-operative organisations; (4) Institutions for the dissemination of the principles of co-operation among the panchayatdars and members of co-operative societies;

(5) co-operative schools for women workers; and (6) institutions for the dissemination of the knowledge of co-operation among the masses in general.

(1) *All-India Research Institution*:—The Indian Central Banking Enquiry Committee have recommended the establishment of an All-India College of Co-operation. I then concurred in that recommendation as a signatory to their report. But on further consideration, I feel that there is no need for a regular All-India College of Co-operation at any rate for the present. It will also not be possible either to organise and conduct one under existing conditions; nor does it promise to offer any special advantages or facilities for the spread of co-operative education on a wide basis. Fully-equipped Provincial Colleges of Co-operation will, in my opinion, prove far more successful and beneficial.

But there is need for an All-India Co-operative Research Institution, to serve as a centre of attraction to co-operators from the several provinces of India and from abroad, somewhat on the model of the Horace Plunkett Foundation now situated in London. Co-operators from the various provinces and States of India and from abroad are sure to resort to the institution for studying co-operation from a national or an international point of view and to make higher researches in co-operation. This central institution will have a well-stocked library, including blue books and reports and publications of the Government of India and the Provincial Governments in India on Co-operation, Rural Economics, Industries, and allied subjects. There will be at least two co-operative experts attached to the institution to guide and help those who resort to the institution for higher co-operative studies. The experts in charge of the institution need not be full-time paid officers of the institution in the earlier stages. If it is located in a large university centre in India, there will be many eminent economists who can give part of their time. The initial expenditure will depend upon the size of the library and the stages it can be maintained at about half that recurring expenditure. It ought to be enough to maintain the staff and the library. In the early accommodation required to locate the institution.

(2) *Provincial Colleges of Co-operation*:—(a) *Objects*:—Each province must have a fully equipped College of Co-operation. Its objects may again be stated in the language of the Manchester College's programme, "(i) to complete the scheme of co-operative education by providing a centre for higher education in the specialised subjects required for the full equipment of the co-operator, and the further development of efficiency in the co-operative movement; (ii) to provide a centre for the cultivation of the co-operative spirit, the generation of

enthusiasm for the application of co-operative principles, and the inspiring of students for service in the cause of co-operation; to assist in all possible ways in the diffusion of a knowledge of co-operative principles and practice, and the cultivation of a healthy co-operative opinion; and to co-operate with, and help, all existing organisations having these objects; (iii) to undertake investigations and research that are calculated to aid the general development and progress of co-operation and stimulate the application of co-operative principles in the solution of social problems."

(b) *Courses*:—The College will be an institution of great utility if it provides courses of study for three grades of students, junior, intermediate and senior, each being self-contained so that students may stop at the completion of any grade if they so desire. The full course will cover three years. In the alternative, there may be only two grades and a two years course according to provincial conditions and resources. The academic year will be of 120 to 150 days. But the full course must in no case be less than two years. There must be a research and publicity section which shall be an independent branch of work in the college by itself. Facilities for research must be given not only to students who take the ordinary course in the college but to all students who possess the necessary educational equipment and aptitude to carry on research in any special branch of co-operation. It is needless to detail the programme and syllabus of the classes, for the educational programme of the College at Manchester and other educational centres in the West set them out in great detail and they may *mutatis mutandis* be adopted, with due regard to the special requirements of the Indian Co-operative Movement. Our main objective shall be, while teaching History, (constitutional and industrial), Economics, Sociology, Citizenship, theory and organisation of Education, methods of propaganda and organisation and public speaking and allied subjects, we must concentrate on them from the Indian standpoint, Indian economic and social structure and its reform and reconstruction⁵.

5. A scheme for a Provincial College of Co-operation for Madras with a two years course, formulated by the Madras Provincial Co-operative Union, suggested the following outline of studies in that college:—

"The following shall be the subjects in which students will be given instruction and examined:—

Part I. Economics:—1. Economic Theory; 2. Rural Economics; 3. Industrial Organisation; 4. Statistical methods.

Part II. Co-operation:—1. History of the Movement; 2. Principles of Co-operation: Credit and Non-credit; 3. Co-operative Law.

The question of affiliating the Provincial College to a University in the Province, making the course a degree or diploma course, may be left to be solved later by each province.

(c) *Cost*.—It is very difficult to estimate the cost of running a Provincial College of Co-operation with any degree of precision. I suggest two alternative schemes in this connection. One scheme is to have a *permanent staff* of a principal and the requisite number of lecturers to impart education in all branches of study prescribed for the course. The other scheme is to have a principal and two tutors on the permanent staff and to rely on lectures by outsiders, who are experts in their own subjects, by payment of a fee either for each lecture or a consolidated fee for a course of lectures on each topic. Without going into details, I may state that my estimate of the recurring expenditure for the first scheme comes to somewhere about Rs. 18,000 annually. The second scheme is intended to be cheaper and will involve an annual expenditure of about Rs. 12,000. These estimates include the cost of the clerical staff, rent of the building and contingencies. On the receipts side, it will be possible to take about 100 students in all the classes (three or two according to the length of the course) and I think there will be no difficulty in securing that number each year, and if we charge a fee of Rs. 60 per student per year, the total income will be about Rs. 6,000 from the fees. The rest of the funds must come either by way of a grant from the local Government or contributions from co-operative organisations or partly from one and partly from the other. Donations and endowments will of course come in later, if not at the commencement. If a hostel is run in connection with the college, it may be placed on a self-supporting basis as a co-operative boarding and lodging house. The cost of the hostel will be shared by all the inmates.

3. *Training Institutes for Employees*:—Provision for training of employees of the Department and non-official organisations must be made in separate training institutions and not in the Provincial Colleges of Co-operation. The training will necessarily fall into two grades. The higher staff of departmental inspectors and of co-operative central institutions, the secretaries and managers of co-operative banks, and ins-

Part III. Technical Subjects:—1. Banking; 2. Book-keeping; 3. Auditing; 4. Commercial Law (Indian Companies Act and Negotiable Instruments Act).

Part IV. Essay:—English or Vernacular.

There will be a separate minimum for each part and also for such groups of subjects in each of the first three parts as may be decided upon.

Part V. Practical Training:—Including lectures on Rural Sanitation and Village Panchayat Organisations.

pectors and auditors who have to handle central societies will naturally require a different and higher kind of training from that which is necessary in the case of the lower grade employees. i.e., the ordinary clerical or indoor staff and supervisory field staff who deal with primary societies. The general educational qualifications of the superior staff will also necessarily have to be higher. When Provincial Colleges of Co-operation have been established and gain stability and prestige the aspirants to higher employments in Co-operative Departments and institutions must be required to undergo some course in these colleges before gaining admission into training institutes. The existing central training institutions in the various provinces may be so remodelled as to consist of two sections, in one of which training is given for the higher staff and in the other training for lower staff to suit the requirements and conditions of each province. Usually one or two such institutions will be enough to train the higher staff. In localities which cannot be covered by these central institutes, there should be smaller training institutes for contiguous groups of districts for the training of the lower staff.

In the Employees' Training Institutes, the teaching staff must be mainly recruited from men who have technical qualifications to teach the technical subjects. Experienced employees of co-operative organisations with adequate general educational and technical qualifications may be employed for the conduct of practical courses. Instruction in theoretical courses will be in co-operative finance, and banking, co-operative law and administration, commercial law, accountancy and book-keeping, office organisation and the like. The practical course which may partly precede and partly succeed the theoretical instruction is best given on the spot in the various types of co-operative organisations with whose working the students under training should be thoroughly familiarised. It is needless to detail the syllabus as those in use in most of the existing institutes are suitable for adoption with necessary modifications; and if further guidance for their revision is wanted, it can be had from the syllabus for the training of employees drawn up by the Manchester Co-operative Union and other advanced co-operative educational institutions in the West, with the obvious changes called for by our circumstances and requirements.

The students taken into these training institutes should, as far as possible, be drawn from employees who are already in service but who have not been hitherto trained or prospective employees who are likely to be absorbed into the staff of co-operative institutions in the near future. They must normally be admitted on the recommendation of the Department or the co-operative banks and other organisations who intend to

utilise their services later. It is a wrong policy, in my opinion, to train a number of people annually in Employees' Courses without a reasonable prospect of their being employed in due course. Business training must be given to a limited number of people who will sooner or later get employed in the Department or the co-operative organisations. The position is very different in the case of academic study of Co-operation as a subject by itself in the Provincial Colleges of Co-operation. Such knowledge must be spread as widely as possible for its own sake. Arrangement should as far as possible, be made for giving some kind of a stipend for the students of the training institutes during the time that they undergo practical training, after the completion of the theoretical course. I have not attempted to go into more minute details, such as the length of the courses in the case of the higher and lower staff or of the relative duration of the theoretical and practical training and connected matters, for they may be settled according to local conditions. But generally speaking, the training in the case of the higher staff should ordinarily extend to about one academic year theoretical and about six months practical, and in the case of the lower staff about nine months theoretical and three months practical.

Employment in co-operative institutions, in all grades of the staff, should be strictly confined to those who received training in these institutes. Untrained men should be made ineligible for employment in the Department or co-operative institutions. Until we strictly enforce this rule, we cannot reap the full benefit of these institutions.

4. *Institutions for the panchayatdars and members of co-operative societies*:—Co-operative banks and the propagandist and educational institutes in the districts must undertake this task regularly with the aid of a staff of itinerant teachers, who will periodically deliver courses of lectures on the principles and practice of co-operation to panchayatdars and members of small groups of societies in selected centres. Generally speaking, three or four weeks' courses repeated each year will serve the purpose and selected number of centres, which must be very near and easily accessible to all the villages of a group, may be tackled in this way. These courses will prove attractive if men who have a good command over the vernacular spoken in the area and who are familiar with the use of the magic lantern, charts and other modern educational paraphernalia are employed for the purpose.

5. *Co-operative Schools for Women Workers*:—In some provinces especially the Punjab and the United Provinces, lady supervisors and propagandists are employed to organise and look after Better Living Societies for Women and special training classes are held for them.

Instruction is given in these classes, in addition to co-operation, in several subjects, supposed to be specially useful for women, such as, domestic economy, domestic hygiene, child welfare, home-nursing, food values, first aid, treatment of common ailments, elementary midwifery, cooking, laundry, tailoring and knitting, home gardening, music (vocal and instrumental) and adult education. The course is said to extend over six to nine months. It must be obvious to any one that the knowledge that can be acquired in these dozen or more difficult subjects in such a short time must be of little value as a general equipment for a co-operative worker. I have already said that for general education in subjects like these the schools managed by the State, local bodies or other authorities must be resorted to. All these subjects are now as a matter of fact taught in almost all well-managed schools for girls and women, where literary, technical or vocational education is imparted to them. If girls and women who have been properly educated up to a required standard in such schools are selected for training in co-operative organisation and propaganda or any other special field of co-operative work where their services are in requisition, our purpose will be much better served.

In regard to institutions for their training, I see no reason why they should not receive such training in one or other of the institutions of the kind already described, according to the particular field of activity to which they wish to fit themselves. If they prefer to sit in separate class rooms from boys and men and object to co-education, it can be arranged for in the same institution. If, however, local co-operative opinion in any province favours separate schools for women co-operators, I have no particular objection. I fully realise the need to draw women into the ranks of co-operators in large numbers, train them as workers and send them out to rural areas to organise societies and do propaganda. Each province must solve this problem in the manner best suited to its peculiar social conditions.

6. *Institutions for the masses in general*:—Summer schools and folk schools for adult education in the principles of co-operation, rural economics and allied subjects, which have already been set up in some parts of India will be very useful in creating among the masses an interest in the Co-operative Movement and Rural Reconstruction work. This work requires highly qualified and trained men for its being effectively carried out. Ideas on this subject are already familiar to co-operators and require no special detailing. All that is necessary is a multiplication of these schools in all parts of India and the development of the scheme of education of adults in co-operation on an intensive and extensive scale by modern educational methods.

CONCLUSION.

The six parts of the scheme outlined above should not be viewed as isolated or disjointed efforts in Co-operative Education. They are integral parts of a single scheme which must be worked as a whole to produce the desired effects. The essence of the scheme is its unity which enables it to cover the entire field. No part of it, without co-ordination with the rest, will by itself help us to realise our object. I am fully alive to the many snags in it that can be pointed out. I concede that it is quite possible to produce better schemes, especially for those who are experts in Co-operative Education. My purpose in presenting the scheme to the readers of the *Indian Co-operative Review* is not to ask for its wholesale acceptance in the form in which I have drawn it up, but to set them thinking over the problem and to stimulate in them a desire to bestow their earnest attention and careful thought to the question, on the prompt and proper solution of which the future of Co-operative Movement largely depends. There is a vast field to be covered by the State, the universities, colleges and schools, co-operative organisations and individual educationists and co-operators in promoting co-operative education and familiarising the people with the principles and aims of co-operation so that they may be applied to the concerns of their daily life. I plead for the co-operation of all these agencies in the accomplishment of one of our most beneficial activities.

One of the principal complaints heard from the supporters as well as the critics of the co-operative movement is in regard to the lack of understanding of the principles of co-operation among the general body of members of co-operative societies and the scarcity of trained men for employment on the staff of co-operative organisations. The remedy suggested is "teaching, more teaching and still more teaching."

—The Indian Central Banking Enquiry Committee.

The training of co-operative staff should be looked on as a highly technical and specialised subject and of sufficient importance to warrant a school of its own.

—A. P. MacDougall, Foreign Expert,
The Indian Central Banking Committee.

THE ESSENTIALS OF CO-OPERATIVE EDUCATION AND TRAINING.

By

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The distribution by the Government of India of a special subvention towards the improvement of co-operative training and education has naturally focussed attention on this problem. The question has always been one of vital importance and we are probably not wrong in attributing the origination of this grant to Mr. Darling, whose experience of co-operation in India is now as extensive as that of any co-operator, official or non-official, in the country. Co-operators of all Provinces are now examining ways in which the grant can best be applied in practice.

The economic depression of the last few years has shown up the weak points of co-operative organization and co-operative practice in this country, as in others. It is natural to say that had co-operators been better educated in the principles of the movement, these weak points would not have developed or if they had developed, remedies would more readily have been found; this is indeed a truism. Nevertheless the depression has certainly served a useful purpose if it has called a halt to development on dangerous lines and if it has aroused in all of us the spirit of self-examination and the desire of self-reform.

In the words of Rudyard Kipling:—"We have had no end of a lesson; it will do us no end of good." We have certainly had our lesson and it is for us to make up our minds that it will do us good.

It is not intended within the scope of this short article to sketch out any elaborate programme of training, or to discuss detailed methods of imparting it. It is only intended to suggest the fundamental objects which should be borne in mind when working out any such programme. Unless we have a clear idea of these, it is unlikely that our plans will lead us anywhere. Nor is it proposed to enter upon an analysis of the shortcomings which the period of depression has brought to light. This has been done by many people and on many occasions, and the general conclusions are too well known to need repetition.

It will hardly be disputed that the basis of all improvement must be the developing in the individual co-operator of both the desire and

the moral and technical ability to manage his own and his society's affairs without interference from outside.

By interference is not meant only official control; the graded withdrawal of that control is indeed of supreme importance since not only can no true co-operative enterprise develop or persist without the first element of self-help, but also on the mere prudential ground that it is not to be expected that with the growth of the co-operative movement Governments will continue to be willing to spend on it large amounts, which should be forthcoming from the movement itself. It is, however, almost equally important to avoid another form of outside control, and that is the control of the politician or the political machine. Those who are familiar with the working of co-operative institutions in many parts of the country know well the grave danger which besets such institutions when they are dragged into the whirlpool of local politics or when local politics cause a cleavage inside them. The only way in which this can be prevented is to ensure that members are so thoroughly grounded in the essential economic and moral principles of co-operation that they will not allow their societies to be made the tools of political ambition. "The co-operative vote" in several Provinces may now be counted as a factor of considerable importance, and politicians are becoming increasingly aware of the fact. No one would suggest that co-operators in their private capacity are not to join in political activities, but it is of vital importance for the health of the movement that co-operative institutions should not be dragged at the heels of political parties; there should in fact be no such thing as the co-operative vote, unless on a matter of purely co-operative economic policy, or against a measure specifically aimed at co-operative ideals and activities.

It is, of course, essential that co-operative education should be extended to as many members of all societies as possible. Many instances could be quoted of societies in which a small educated minority has gained complete control over a society and has brought it to ruin in their own selfish interest. This is hardly possible if the bulk of the members have received sound training in the principles of co-operation and in the provisions of their bylaws. This, however, does not exhaust the possibilities of failure. Frequently two societies are to be found in the same area and even in the same village, with precisely similar economic conditions and the same degree of education among their members; and yet one of the societies is successful and its members prosperous and contented, while the other society is stagnant or moribund and its members deeply indebted. The difference between the two can consist in one thing only—character. Can any system of education of members or training of staff make any impression on this fundamental

factor ? To a limited extent it can, but it seems necessary that if this is to be done the education should extend beyond the members of the societies to those outsiders who are its potential members ; and it also follows that the training of the co-operative staff must on no account be confined to imparting technical economic and co-operative knowledge.

This consideration has an important bearing on the nature of our co-operative training institutions ; there is a great danger of such institutions becoming more institutional than co-operative. We must at all costs avoid setting up training institutes which impart, by methods akin to those of the crammer, merely academic instruction, and which turn out a fixed quota of duly diplomæd students who regard this diploma as a certain passport to employment in the Co-operative Department or in co-operative institutions, and look upon it as the be-all and end-all of co-operative education. There must be a real and constant touch maintained between co-operative training institutes and the current activities of co-operative societies, and to this end it seems essential that there should be some interchange of staff between lecturers in such institutions and workers in the field.

I am in no way underestimating the importance of high technical efficiency and wide co-operative knowledge in the controlling staff. Official audit and guidance must be highly efficient and fully and accurately informed. But it is equally important to imbue all ranks of that staff with the guiding principle that co-operation must be founded on self-help and mutual help among co-operators. The members of the staff should look upon themselves as co-operators specially privileged and qualified to help others in the same field. Here again the element of character comes in, and the importance is indicated of exceedingly careful selection of staff. It is useless to select as officials of the department, and to waste money on training persons whose outlook and temperament render them incapable of understanding the manner of thought and entering fully into the difficulties of the co-operators among whom their work is to lie. The field of selection is, in these days of unemployment, an exceedingly wide one. But the number of applicants who have a real aptitude and a real sense of vocation is extremely small. The task of the selector in finding that small nucleus is by no means an easy one.

Finally, but by no means least important, we come to the honorary workers. Many of these, by reason of their already developed interest in the movement, are already highly qualified, and the mere fact that they come forward to do honorary work is an indication that they possess the sympathy and the missionary spirit, which are so desirable. Such workers are of very great value in the field, and full use should also be made of their knowledge, experience and enthusiasm in the work

of training the paid co-operative staff. The fullest assistance should also be afforded to them in acquiring any additional knowledge or experience of which they may find themselves in need. In the long run, as was indicated earlier in this article, it is upon the workers within the movement itself that co-operation must depend for its growth and vitality.

One other point must be made clear, in relation both to the staff and the members of co-operative societies, and that is that though instruction must start early, it must never finish. Means must be found, through periodical conference and refresher courses, to keep the knowledge both of the staff and members well up-to-date, to pool their experience and to keep their brains active and their enthusiasm alive in relation to the problems which will incessantly confront them. In these conferences and courses the main thing to be avoided is the set lecture. Individual interest must be maintained and general participation in discussion insisted upon. It must always be remembered that the ultimate object is to improve the knowledge and the co-operative character of individual members of societies the large majority of whom are illiterate ; this can only be done by constant personal contact and individual discussion. The set lecture at courses and conferences not only teaches the majority of the rank and file very little, but encourages them to adopt the same method in dealing with primary societies ; and it need hardly be emphasised that the delivery of any kind of general lecture to a village audience produces only one result—stupor and sleep.

Another matter of very great importance is co-ordination with other departments of Government. Co-operation is concerned with every activity of rural life, and it is therefore necessary for the co-operative worker to have an adequate knowledge of the work being done by Departments of Government such as Agriculture, Veterinary, Public Health, Education and Industries. He must have a sound working knowledge of the elements of the subjects with which these departments deal, but he must also be closely acquainted with the general organization and methods of work of the Departments themselves and must be imbued with spirit of co-operation with their officials. To bring this about, it is essential to enlist the aid of the heads and local officials of the Departments concerned when planning the work of training, and to arrange for instruction to be imparted by those best qualified to give it and for a close liaison to be established at the outset of an official's career. We must have none of the idea that the Co-operative Department is in any way competing with other Departments of Government for the uplift and for the favour of the people among whom it works ; the Co-operative Department exists only to help co-operators

and in that task it must put them in the way of making use of all the resources which Government supplies through whatever channel.

One final question. Governments have now had their attention very pointedly drawn to the necessity of thorough training of co-operative officials. Are all, or any, of those Governments sufficiently alive to the vital importance of giving an adequate training to the pivot of the Department—the Registrar?

The only remedy for unsatisfactory conditions which appears to offer any sure prospect of success is the patient and persistent education in the principles and meaning of co-operation of the members of primary societies by teachers competent to perform the task efficiently under adequate supervision.

—Royal Commission on Agriculture in India.

THE SYSTEM OF CO-OPERATIVE TRAINING IN THE PUNJAB.

By

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IMPORTANCE OF TRAINING

The greatest enemy that the Co-operative Movement has in this country and in any other is the uninformed enthusiast and the people who think that enthusiasm and zeal can take the place of careful study and exact knowledge. They cannot. Therefore an efficient co-operative staff well-grounded in the principles and practice of co-operation and capable of applying them to the new problems that face the people among whom their work lies and also able to educate the members to the point of being able in due course of time to assume charge of the affairs of their societies, is essential to the successful functioning of the movement.

The Punjab realised the necessity of the proper training of the co-operative staff and members of co-operative societies from the very beginning of the movement and has evolved a system of training which has earned praise from very high and authoritative quarters. "In only one province (Punjab)," wrote the Royal Commission on Agriculture, "are systematic arrangements made for the training of the members of the staff". After briefly describing the system of training in the Punjab, they recommended that "We consider this system deserving of imitation elsewhere."

The Tenth Conference of Registrars of Co-operative Societies held at Simla in 1928 paid a high tribute to the Punjab system and said that "the example of the Punjab in developing a very high standard of excellence should be followed by all other Provinces."

The Punjab system may be of some interest and use to co-operators in India; so I proceed to discuss it in some detail.

TRAINING STAFF

The training staff consists of three Educational Inspectors paid by the Government and three Educational Assistants (Sub-Inspectors) paid

by the Punjab Co-operative Union, Lahore. They conduct almost all the classes throughout the Province. Their main duty is to train the staff, but they also deliver lectures in schools and colleges on co-operative subjects and other gatherings whenever they have time to do so.

Training classes are held in the Punjab for the following classes :

(1) Secretaries of Primary Societies; (2) Office-bearers of Societies; (3) Secretaries of Banking Unions; (4) Employees of Central Co-operative Banks; (5) Managers and Munims of Co-operative Commission Shops; (6) Liquidators and Execution Agents; (7) (a) Sub-Inspector candidates; (b) Sub-Inspectress candidates; (c) Agricultural classes; (d) Dairying class; (e) Rural Economy class; (f) Weaving class; (8) Inspector candidates and (9) Refresher courses.

1. CLASS FOR THE SECRETARIES OF PRIMARY SOCIETIES

The strength of the co-operative movement lies in the strength of the primary societies. The secretary of a society is generally the most intelligent and sometime the only educated man in the village. He is the society's accountant, but his touch with the society can be so intimate that he is somewhat analogous to the Patwari (accountant) for good or bad, and his training is essential and useful.

Training classes for secretaries of primary societies were started in 1926 and are held every year throughout the Punjab at various centres in the circle of each Assistant Registrar to suit the need and convenience of both the staff and the secretaries. These classes last for ten days and an experienced Sub-Inspector is as a rule in charge. The Educational Inspectors or their Assistants try to take up as many classes as possible. Only paid and honorary Secretaries are admitted to these classes; 'Circle Secretaries,' that is Secretaries working for a number of societies within a small area, are not allowed since their existence has led to grave abuses and irregularities and the object of the classes is to displace them.

Attention is paid in explaining thoroughly the elementary principles of co-operation, the underlying principles of the bylaws of a credit society, with particular reference to the meaning of credit, the dangers attendant upon its use by anyone not fully acquainted with these dangers, and the safeguard to be adopted if such dangers are to be avoided. Instruction is given in the preparation of registers maintained by a credit society, especially the registers of members, *kistbandi* (Instalment) and maximum credit limit. Secretaries are examined at the end of the class by the teacher conducting the class to find out how far they have benefitted therefrom. In the last four years (1931-34) 640 classes have

been held and 8,416 secretaries have been trained. Each Secretary attending these classes is paid a small stipend by the Punjab Co-operative Union, Lahore, which organises these classes. About Rupees ten thousand each year have been spent by the Punjab Co-operative Union for the last five or six years on the training of the Secretaries and so far more than ten thousand Secretaries have received this training. From this year the expenditure on these classes has been curtailed for want of funds. It is hoped that when the Government of India will give a grant to the provinces for the training of members, a decent amount of it will be spent on the training of secretaries.

These classes have proved of immense value to the Secretaries and to the co-operative movement and have greatly helped in improving the standard of book-keeping of the societies.

2. CLASS FOR THE OFFICE-BEARERS OF SOCIETIES

A class for office-bearers of societies was organised for the first time in 1934 in Ambala. The class lasted for four days and attracted an attendance of 20 office-bearers. It is proposed to extend this class to other circles also.

3. CLASS FOR THE SECRETARIES OF BANKING UNIONS

A training class for the Secretaries of Banking Unions was first held at Jullundur in May 1928. The class lasted for a month and was attended by 31 Secretaries from every part of the Province. Next year the class was organised at Gurdaspur in March 1929 and 21 students attended it. A joint class for the employees of the Central Co-operative Banks and Banking Unions was started at Lahore in May 1930. Twenty-three candidates joined it. But this class did not prove a success so far as the Unions were concerned. Therefore in 1931 the class was split up. Since then two or three separate training classes are organised every year for the Secretaries of Banking Unions. Each class lasts for a fortnight or so and is conducted by a Senior Auditor of the Punjab Co-operative Union under the guidance of the Financial Adviser to the Co-operative Department. A few lectures are also delivered by the Educational Inspector and his Assistant on the principles, practice and law of co-operation with special reference to the working of Unions. Instruction is also given in book-keeping and in the correct use of the improved sets of account books for Unions in Urdu.

4. CLASS FOR THE EMPLOYEES OF CENTRAL CO-OPERATIVE BANKS

A training class for the Managers and Accountants of Central Co-operative Banks for one month was started by the Punjab Co-operative

Union at Lahore in October 1927 and 22 candidates attended the class. As the class was organised for the first time and was experimental, it did not prove so very successful. The whole scheme of the class was revised in the light of experience gained. And a class for the clerical staff of central banks in need of further training was organised in Lahore in May 1930, under the supervision of the Financial Adviser to the Co-operative Department. It was repeated next year in April 1931. This class is now not held every year but is organised when necessary.

5. CLASS FOR THE MANAGERS AND MUNIMS OF CO-OPERATIVE COMMISSION SHOPS

Co-operators in the Punjab have formed their own sale societies known as Co-operative Commission Shops. These shops arrange to sell on commission goods brought to them by members. In the event of the price of the commodity being low, the members concerned, store their produce in the shop and obtain an advance on it equal to 75 per cent. of the value of their produce. There are now 22 Commission Shops in the Province. They sold members' produce of 7 lakhs maunds for Rs. 19 lakhs last year. But these shops have not achieved the results expected of them. One of the main causes of this is the inefficiency of the staff employed in Commission Shops. Therefore attempts have been made in recent years to give adequate training to the Managers and Munims of Co-operative Commission Shops by organising a separate class for them. The class was held at Lyallpur in 1933 and was attended by 17 students. The class lasted for a month and was conducted by the Educational Staff. The syllabus consisted of accountancy, law and principles of co-operation, marketing and the various problems connected therewith.

6. CLASS FOR LIQUIDATORS AND EXECUTION AGENTS

A formidable obstacle in the way of the co-operative movement is the inefficiency and dishonesty of the liquidators and execution agents. It is very difficult to find out reliable and capable liquidators and execution agents. Many methods have been adopted in recent years to improve the quality of the persons employed for this work. One of these is the introduction of training classes for liquidators and execution agents. These classes are of recent introduction and are held when necessary, generally during the month of September when the courts are closed for vacations. Two classes for execution agents were organised in September 1934 at Gujranwala and Lala Musa. Each class lasted for a week. The class at Gujranwala was attended by 17 students and that at Lala Musa by 34. A senior Auditor of the Punjab Co-operative Union, Lahore, was in charge of these classes.

7. (a) CLASS FOR SUB-INSPECTOR CANDIDATES

A Sub-Inspector in the Punjab is the pivot of the Co-operative Movement. Therefore great importance is attached to his training. The minimum educational qualification for recruitment as a Sub-Inspector candidate is Matriculation, preferably in the first division. Sub-Inspector candidates have to undergo field training for at least six months and pass a class before they are given a substantive post. They are not paid anything during the period of training. A candidate is eligible to attend the class after he has completed at least four months' field training, and provided he is considered quite fit for it.

The field training is given as follows:—In the first month the Sub-Inspector candidate is attached to an Inspector, learning Law and Principles of Co-operation. During the second and third months he is required to work with a Supervisor. The candidate in this period has to learn the work of a Supervisor and *inter alia* prepare registration papers of three societies and take part in the liquidation of one. Then in the fourth and fifth months the candidate is placed with an Auditor. During these months he is required to audit at least ten societies under the direct and continuous supervision of the Auditor. The sixth month is again spent with the Inspector learning office routine and getting finishing touches to his training.

The candidate is examined every month by the Officer with whom he is under training. The Inspector examines him at least after every two months and the result of each examination is sent to the Assistant Registrar. During the course of his training the candidate has to submit his fortnightly diaries regularly.

After completing practical training in the field every Sub-inspector Candidate has to attend a training class. The period of this class was one month in the beginning. It was extended to two months in 1928 and then to three months in January 1934. These training classes are organised by the Punjab Co-operative Union with the help and co-operation of the Registrar and his staff, in the division of each Deputy Registrar at least once a year. In the last 4 years (1931-35) 21 classes have been held and 645 students trained.

At the end of the class an examination consisting of *viva voce* and three papers in Law, Theory and Practice of Co-operation is held. No candidate is considered to be qualified for the post of a Sub-inspector unless he passes the class. A candidate who fails in the class three times is ordinarily struck off the list. A Sub-inspector who has not passed through a training class is worse than useless and it is obviously unsound to send out into the towns or villages a stream of young missionaries who do not understand the doctrine which they are to teach.

HONORARY SUB-INSPECTORS.

Honorary Sub-inspectors have also to undergo four months' field training with a Sub-inspector and attend the Sub-inspectors' Class for three months. None is appointed as Honorary Sub-Inspector until he has undergone this training and passed the Sub-inspectors' Class.

(b) CLASS FOR SUB-INSPECTRESS CANDIDATES.

The Punjab is perhaps the only Province in India where systematic and successful efforts have been made to preach the gospel of Co-operation among women. And for this purpose there is one Inspectress, who is paid by the Government, and there are 11 Sub-inspectresses paid by the Punjab Co-operative Union. The number of women societies is now 218, with a membership of 3955 and owned capital of Rs. 2.33 lakhs.

A special class is held for the training of Sub-inspectress Candidates when necessary. The first class was organised in the beginning of 1928 and was attended by 10 candidates. The class was repeated in March 1933 and 10 students joined it. Candidates joining the class were paid a stipend of Rs. 30 p.m. In addition to the subjects taught to the Sub-inspectors' Class, the following additional subjects are included in the syllabus of the Sub-inspectresses' class :—

1. Thrift. 2. Domestic Economy. 3. Cottage Industries. 4. Education among Women. 5. School Supply Societies. 6. Child Welfare and 7. Elementary Hygiene.

MEETINGS OF SUB-INSPECTORS.

Another method adopted for training the Sub-inspectors is their periodical meetings. Inspectors in most districts hold monthly or bi-monthly meetings of their Sub-inspectors in which difficulties are discussed and the latest instructions of the Department are explained.

LITERARY CLUBS.

Mention may also be made here of the interesting experiment introduced in Ludhiana, where the staff take in some periodicals dealing with economics, co-operation, agriculture and kindred subjects, and circulate them among themselves. This experiment of literary clubs among the co-operative staff, for the joint purchase and distribution of periodicals on Co-operation and Economics, was started in 1931 and has proved successful in Ludhiana and therefore has been extended to all Inspectors' Circles in Ludhiana and Ambala. The system has also been copied in Rohtak District, with encouraging results.

(c) AGRICULTURAL CLASSES.

As India is predominantly an agricultural country, it is essential that those who are to work for rural reconstruction must have at least preliminary training in agriculture. The Punjab Government used to give annually a special grant of Rs. 10,000 for the Agricultural Training of the Co-operative Staff. Sub-inspectors were sent to the Agricultural Classes conducted by the Agricultural Department. These classes were held twice a year, each at Lyallpur and Gurdaspur and each class lasted for six months. Sub-inspectors who were sent to attend these classes were allowed their pay, travelling and food allowance. The cost of the classes was met out of the special grant. But on account of financial stringency this grant was stopped in 1931. Since then no Sub-inspector has been sent up for the special agricultural training. This is unfortunate, as this training is absolutely necessary in the interest of the agriculturists of the Province. When the Government of India gives the special grant for the training of co-operators, a portion of it should be devoted for the purpose of giving agricultural training to the Sub-inspectors.

(d) DAIRYING CLASS.

A Dairying class for one month is organised by the Agricultural Department at Lyallpur generally once a year. A few Sub-inspectors were sent to this class. But as the milk recording societies have not proved successful therefore the practice of sending Sub-inspectors to the Dairying class has been discontinued.

(e) RURAL ECONOMY CLASS.

The Agricultural Department conducts a Rural Economy Class at Lyallpur for a month. A few Sub-inspectors and Inspectors have received training in this class.

(f) WEAVING CLASS.

Inspectors and Sub-inspectors for industrial Co-operative Societies are sent to the weaving class when necessary. This class is arranged by the Department of Industries and lasts for six months.

8. CLASS FOR INSPECTOR CANDIDATES.

All Inspectors in the Punjab are paid by the Government. Their grade of pay is Rs. 100-250 and the Assistant Registrars are selected by promotion from their rank. Inspectors are usually graduates. They receive careful training, since on them depends the adequate training of

all co-operators. When an Inspector Candidate is accepted he has to undergo a course of at least 15 months training as follows :—

1. Preliminary training for three months. As soon as a candidate is accepted, he is sent to an experienced Inspector for three months, and is made to read a few introductory books. In this period he gains an insight into Co-operation in Theory and Practice and is expected to learn the practical duties of a Sub-inspector.

2. Then he is posted as a Sub-inspector for three months.

3. After this he is sent to the Training Class held at Gurdaspur annually for four months.

4. Then he receives one month's training in a Central Co-operative Bank.

5. One month's training in the Office of an Assistant Registrar.

No Inspector Candidate is posted to officiate as Inspector until the completion of the full training period of fifteen months, even though he may be the best available man. The training class for Inspector candidates was started in 1921 and is now held every year at Gurdaspur from November to February. The period of the class was three months in the beginning. It was extended to four months in 1935, in order to give the candidates more time to read books on Co-operation and Rural Economics and to prevent over-working and to absorb better the subjects previously taught and to allow the inclusion of new subjects considered desirable by past experience. One other reason of the extension of the period of the class was that as co-operative activities develop, there is more to be learnt and more to be read and a higher standard of training is required.

The subjects taught in the training class are Rural Economics, Co-operation, Theory, Law and Practice.

The class is conducted by the Educational Inspectors and their Assistants. Senior Officials of the Co-operative Department also lecture to the class on special subjects. At the end of the class an examination of a very high standard is held which consists of two papers on each of the three subjects. There is also an examination in *viva voce*. The standard of pass marks is 66% in each subject.

After passing the examination and completing the required training a candidate is eligible for appointment on probation as Inspector when a vacancy occurs. In the meantime he is given a post as Sub-inspector, paid by the Punjab Co-operative Union, Lahore, which he retains until

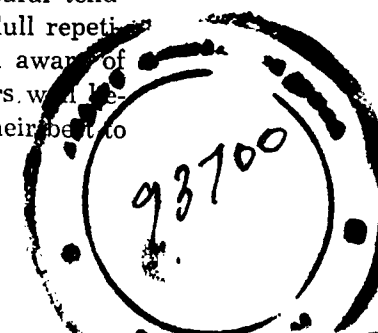
he is posted as Inspector. Thus he does audit and general work with societies for at least nine months in addition to the more specialised training. Before a candidate is appointed he must be declared fit by his Assistant Registrar. The test is thus a severe one, continuous reading is insisted on; difficult work in connection with bad societies, liquidation work, special audit of large societies etc., are allotted to him. Any Inspector who is found to have ceased to study books from the office library is liable to have his promotion stopped. The general idea is to send back into the villages, villagers who have received a special education in rural problems, rural economics and co-operation.

The Inspector Candidates' training class at Gurdaspur has made a name for itself and has earned praise from the Royal Commission on Agriculture in India, which has recommended other provinces to follow the training system of the Punjab. During the last four or five years in addition to the candidates from the Punjab, the class has been attended by officials from the North Western Frontier Province, Delhi, United Provinces, Central Provinces, Ajmer, Kashmir, Mandi and Ceylon. Honorary Inspectors are also required to attend the Gurdaspur training class and take the examination.

9. REFRESHER COURSES.

The system of Refresher Courses was started in 1920 and continues from that year without any break. These courses are held once a year generally in October—November and April—May, when agriculturists are busy in sowing and harvesting and the staff has not much field work to do. The staffs of two adjacent circles of Assistant Registrars are generally combined. The whole field staff consisting of Assistant Registrars, Inspectors, Sub-inspectors and Candidates attend the course. These courses last for about 10 days. Educational Inspectors and their Assistants also attend these courses partly to refresh their knowledge and partly to deliver lectures to the field staff. Lectures and debates by the staff are arranged, and the presiding officers see that the Sub-inspectors and candidates pay attention, take notes and absorb at least some of what they have heard. Lectures are given, followed by what are described as "heated and healthy discussions." At all the courses the methods of imparting instructions to societies are specially emphasised, and to give point to the teaching visits in many places are made to actual societies and endeavours are made to put precept into practice. The natural tendency of such courses would be for them to degenerate into dull repetitions year after year; but the Assistant Registrars are well aware of this. They allot the subjects to Inspectors and Sub-inspectors, well before hand to give them time to prepare their lectures and do their best to

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make these courses varied and profitable. For instance, at Delhi where a combined course for the Gurgaon and Delhi circles was held, there were lectures by the Honorary Secretary of the Delhi Central Co-operative Bank, who is also a pleader, on execution of decrees ; by the firm of Professional Auditors, which audits the Local Central Bank, on common defects of co-operative banks and their removal ; by an extra Assistant Director of Agriculture, on agriculture of that part of the Province ; by the Secretary of the Dabit Audhar Sabha on co-operation among the depressed classes ; and by the Financial Adviser to the Co-operative Department on banking. Finally, together with a Professor of Economics from a local College, an excursion was made to a village near Delhi, and a demonstration was given by the Professor how to conduct an economic enquiry. At Mianwali the lecturers included the Principal of the Local Normal School, the District Inspector of Schools, the Sanitary Inspector, the Deputy Director of Agriculture, the Deputy Superintendent of Veterinary Department, an Extra Assistant Commissioner, the President of a Credit Society and a Pleader, who lectured on the law of embezzlement. In one course three Maulvies attended and were not dumb. At another no paper was allowed to be read ; but the course rather took the form of discussion.

The lectures are delivered not only by co-operative officials but by officers of other beneficial departments, such as Education, Agriculture, Veterinary, Rural Reconstruction, Industries and Health Officers, with a view to showing the co-operative staff the work being done by other departments.

Last year a joint refresher course for the consolidation staff of all districts was held at Amritsar. This gave the consolidation staff an opportunity to discuss the special difficulties of their work and the remedies for the removal of these obstacles. It is desirable that this course should be repeated every year.

A separate Refresher Course is organised every year for the whole staff of the industrial co-operative societies in the Province. The subjects discussed in this course include the method of improving industrial co-operative societies and the reviving of indigenous village industries.

The female staff of one Inspectress and 11 Sub-inspectresses hold their own Refresher Course usually at Amritsar and go through a very interesting programme every year. This includes lectures on different aspects of co-operation with special reference to women. Debates are organised in the evening in which subjects of interest to women are discussed. The programme also includes excursions to places of historical or industrial interest.

These Refresher Courses have proved very useful in stimulating study of special problems and in fostering mutual education, and imparting new ideas and fresh energy.

TEACHING OF MEMBERS.

It is clear that the teaching of the individual members of co-operative societies in the essential principles of co-operation and the methods of working of societies is of cardinal importance. But it is at the same time a most difficult task for many reasons, the outstanding of which is the illiteracy of the members. Ninety-five per cent of the population in the Punjab is illiterate and the illiteracy in the rural areas is far greater than in the towns. Eighty seven per cent of the population of the Punjab lives in rural areas.

That it is possible to ground the rank-and-file of our societies in the elementary principles and practice of co-operation is abundantly shown by the better class societies and that it is even possible to do this where there is little education or experience to build on is demonstrated by what has been done in some places. But methods which are applied for training the members in more advanced countries are not of much use in the Punjab. It is the personal contact of the Sub-inspectors which is the most valuable instrument in the teaching of members and therefore its importance cannot be over-estimated. For this reason the relations of the Co-operative Staff, particularly the Sub-inspectors, with the members are of vital importance. In teaching, understanding of the people to be taught is essential to success ; in all missionary endeavour, sympathy with the outlook of the persons whose uplift is desired, is the key note to victory. In all educational work, it is the personality of the teacher that counts. Therefore great importance has always been attached in the Punjab to select men for co-operative service possessed of both sympathy and understanding of the people. And these men have always tried to give the best teaching to the members of societies under their charge.

SECTIONAL CONFERENCES.

Broadly speaking, teaching of members is done on two occasions, first at periodical meetings of societies at which the Inspector or Sub-inspector is present, and second, in sectional conference of co-operators embracing an area of a few villages. These conferences are held in nearly all circles and the attendance at them is usually good, interest is sustained and the members themselves take part freely in discussion. In these conferences the opportunity is taken to create in the members

discontent with slovenly methods of agriculture, waste in ceremonial expenditure and unclean and insanitary habits. The chief aim is to build up the idea of community of interest, to imbibe members with the feeling that there is a way out of their poverty and to develop the ideal of mutual help. Progress in the last few years has been remarkable. That these conferences are now no longer the workman-ship of the officials of the department is clear from the fact that they are invariably presided over by non-officials and most of the lecturers are co-operators themselves. Sermons, however, are not encouraged. Specific questions are raised and members are asked to suggest solutions and to debate among themselves. At these conferences every kind of problem is discussed from illiteracy and child welfare to the prevention of disease and the pitting of manure. At these conferences, the pill of improving knowledge is administered suitably coated with the sugar of lantern story, drama, poetry, singing and games. In addition to formal lecture, use is also made of the 'drama' illustrating the advantages of co-operation and the various points in the organisation and working of societies. These dramas are of considerable instructional value to members as well as to general public.

The celebration of Co-operative Day throughout the province is another occasion which provides an opportunity for teaching the members and for the message of co-operation to be preached and argued out by all kinds of people.

The unrivalled success of the Co-operative Movement in the Punjab is a standing proof of the sound teaching given to the co-operative staff and the members of societies in the province. The Registrar in his report for 1929 remarks, "We have always laid special stress on the great importance of the education of the individual member in the principles and conduct of his society and in co-operation generally. On my tours I have often been pleasantly surprised by the amount of this knowledge; on this. . . we may perhaps be allowed a small amount of self-congratulation. We are, however, by no means ignorant of the very long way that still lies before us." Two years later Mr. Darling in his report for 1931 makes the following statement:—"Yet through my tour I was forcibly struck not only by the lack of understanding on the part of the general body of members of most of the districts but still more by the inability of the ordinary Sub-inspector to teach. Some are good lecturers, few are good teachers." "It is impossible," remarked the Foreign Banking Experts of the Indian Central Banking Enquiry Committee, "to frame a more damning criticism of co-operation as it exists in the most progressive province in India. It is at the same time a conscious tribute to the success of the leaders, who, inspite of this handicap,

have made progress." Again in 1933 the Registrar points out that ". . . the general knowledge among members of primary societies remains very low" and repeats the same conclusion in 1934, "there can be no doubt that even in the most advanced areas, the general knowledge of society members is lamentably low, and constant efforts are necessary to improve it . . . The more difficult the times through which we are passing, the more clearly stands out the necessity of a fully trained staff and an informed and intelligent membership."

It is an open secret that the membership has not yet fully awakened to its responsibilities and powers. Millions who became members under rapid expansion of the movement have little or no understanding what membership entails and are slow to exercise their rights and privileges.

Now that the Government of India has sanctioned a special grant for co-operative training and education, it is hoped that more attention will be paid on the training of the Co-operative Staff and the office-holders and members of co-operative societies.

The essence of the co-operative movement is that the people should take the management of their own affairs into their own hands, and the whole object of those charged with the education of the members of co-operative organisations should be so to teach the people that they will be able to assume complete control of their own organisations.

—Royal Commission on Agriculture in India.

CO-OPERATIVE EDUCATION IN THE UNITED PROVINCES

By

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The importance of co-operative education to the co-operative movement in India can hardly be over-estimated at the present time. The success of the entire movement is intimately and directly linked up with a vigorous policy of co-operative education. As Lord Linlithgow has pointed out, if the co-operative movement fails on the educative side, it will fail in its first purpose. The Maclagan Committee, the Oakden Committee (in U. P.), the Agricultural Commission and lastly, the Banking Committee have all emphasised its supreme importance and it is hardly necessary to waste time now to argue it over again.

EDUCATION OF MEMBERS

Co-operative education implies two distinct problems: firstly, the education of the members of co-operative societies and secondly, the education of the co-operative staff in primary societies and central banks. As regards the first viz., the co-operative education of the society member, it is the steady and persistent education of such members alone that can make a real success of the movement and can enlarge its scope and widen its foundations as far as all of us would want it to be. For, after all, let us not forget that even after 31 years of official co-operation in India we have roped in only 1.2 p.c. of the people within the co-operative fold. In the European countries—which are far more advanced in co-operation than India—they are even now carrying on a policy of steady and continuous co-operative education. If such advanced countries find it so very necessary even now, the necessity must be more real and much greater in India than in the West. Indeed, we cannot really have too much of education in our co-operative family. The appalling illiteracy of the people is at once a handicap as well as a challenge to the co-operative movement. Our members have, generally speaking, very little of intelligent appreciation of what the movement stands for, what it can achieve and how it can achieve it. The un-educated or the half-educated co-operator is a real menace to the movement. A society is one word, but it means many things. The success of the movement must be judged not by the figures in our society's account books or the

size of their membership but by the *well-being* of the members. If, after all, the co-operative movement cannot morally and economically improve the *men*—the articulate members in flesh and blood—India has little use for it and would not be sorry to lose it. What would the movement gain if, while it recorded big totals in our statistical reports, it had little to show in increased human welfare? That is the challenge we have to answer. Co-operation will become really great only when it is a family conscious of its ideals educated in its principles and steadfast in its loyalty. I am not, however, dealing with this part of the problem now. It is at present organised by the large number of our honorary and paid Organisers, Inspectors, Secretaries, Supervisors, Unions, Central Banks, Meetings, Conferences, Lectures, Pamphlets and Journals. I am concerned now with the second part of the problem viz., the education of the subordinate co-operative staff.

TRAINING OF THE STAFF.

The importance of giving adequate and effective training to the staff has long been recognised in the United Provinces ever since the movement grew to a respectable size. While the superior staff must necessarily control the policy and guide the movement along right lines, it largely rests with the subordinate staff to see that the movement captures the imagination of the people and develops along sound and healthy lines. The supervisor comes into direct and close contact with the Society and its members and it largely depends on him whether the movement is A1 or C3. He must be trained for his work and must have adequate powers of propaganda and persuasiveness—in other words he must have a personality which will make a more direct, personal and human appeal than anything else. This is not easy to create but every attempt must be made to create it if we want the co-operative movement to be really effective. A proper training—apart from making him more efficient in his work—is bound to widen his vision and enlarge the scope of his welfare activities.

THE EARLY SYSTEM AND ITS DEFECTS.

Until the Oakden Committee examined and reported on the question, the arrangements made for the training of the co-operative staff in U. P. were far from satisfactory. Classes were organized by the Co-operative Department for prospective candidates for employment in the Department or in the Banks from time to time. The students were selected by the Registrar himself for the Co-operative Training class and such classes lasted for about 3 to 4 months. There was no fixed place where the classes would be held and they met at various places throughout the pro-

vince. Lectures were given by a Junior Assistant Registrar or an Inspector of the Department and all the students received their lessons in one and the same class without any regard for the differences in their individual needs, capacities or abilities. On rare occasions, the Registrar invited some outside expert—usually a member of the University staff—to deliver a course of lectures on some particular topic in the Co-operative Training class. It soon became clear that such a loose and tepid effort could hardly produce satisfactory results. We had to unlearn quickly some of our past mistakes. The Oakden Committee on Co-operation in U. P. (1926) commented unfavourably on the poor training of the staff, which showed that the method and conditions of recruitment were far from satisfactory. The system so long adopted was found to be ineffective and unsuitable and it was found that there was considerable room for improvement in it.

The main difficulties that confronted us were as follows :—

(i) We did not get the right class of youngmen for training : Most of the candidates came from the cities. They had no rural bias or vision and had little knowledge of rural life and its problems. The recruits from villages, on the other hand, showed poor physique and were found to be unsatisfactory in other ways.

(ii) Most of the candidates lacked personality.

(iii) Most of them also lacked the spirit of service which is essential for the success of their work. Such men can be of little real use in rural or co-operative work.

(iv) As the training lasted for a year and the students did not get any stipend while under training, it was difficult to get the right type of candidates.

(v) The funds available for the purpose have seldom been adequate.

(vi) It was also difficult to get an adequate number of teachers who would not merely instruct but also lead, who would not merely educate but also impart character and personality, who would not merely look to the percentage of passes but also coin character and initiative in the men they train.

It is pleasing to note, however, that gradually we are attracting more and more of young men with superior academic qualifications ; and provided they bring with them a sufficient rural bias, a great improvement in the internal working of the co-operative movement is bound to come in the course of a few years.

THE PRESENT SYSTEM OF TRAINING.

In 1928, a Co-operative Training Institute for the United Provinces was started by the joint efforts of the Departments of Agriculture and of Co-operation in U. P. It was located at Partabgarh which is conveniently situated for the whole province and has a fairly good climate. The Institute is located in the midst of rural surroundings about two miles off from the railway station. The students live in the Institute buildings. There is a Government Agricultural Farm close to the Institute and the students get every facility to learn practical farming and the actual agricultural conditions in the villages. They have to attend practical classes in agriculture every morning for two hours in the Agricultural Farm. It is pleasing to note that on some occasions, Indian States have deputed their men to the Institute for training. The department has deputed two inspectors for the duty of training candidates in the Institute. They are whole-time workers in it. In addition, the Department of Agriculture also deposes its own Inspectors who take regular classes in the theory and practice of agriculture. Lectures are also given, from time to time, by experts on first-aid, sanitation and hygiene. Such experts are drawn from the District Health Staff. A Scout Master delivers a few lectures on scouting. Sometimes, a horticulturist is also engaged for a short course of lectures on fruit culture. To complete the training a revenue officer delivers a course of lectures on village records, field survey and tenancy problems in the province.

The Institute has to train four classes of persons viz., (1) Inspectors, (2) Auditors, (3) Supervisors and Lady Supervisors, (4) Village Guides.

The Institute runs separate classes for each of the above. Of these classes, the training of Inspectors and Auditors is not continuous because there is no regular demand for it. Their recruitment and training are taken in hand only when all the trained candidates have been absorbed and there is a demand for new hands. The training of Inspectors takes about 9 months and of auditors about one year. The auditor-candidates after completing their theoretical training move to the villages and help in the actual audit of the village societies. The demand for Supervisors is fairly regular, and regular classes are held in order to train them.

The Village Guides are required to work as adult school teachers in our scheme of village uplift and rural reconstruction. The candidates are recruited only locally—from villages where an adult school or other rural reconstruction activities have been either planned or started. Their training lasts for about 5 months and it includes agriculture, co-

operation, adult education and other allied subjects. Those who are found fit on the final test are allowed to start adult schools in their own villages. They get a stipend of Rs. 4 per mensem so long as they are under training. When they start as adult school teachers, they are paid Rs. 7 per mensem for teaching two hours in the evenings in such schools.

A training class for Lady Supervisors is also being held for some years now. 14 candidates were admitted in 1931 and 16 in 1932. A qualified lady was appointed as teacher in domestic science, midwifery, hygiene, laundry, cooking and serving. The candidates are trained in Hindi, arithmetic, accounts, co-operation, needlework, first-aid, maternity and child-welfare and music. They are allowed, besides actual expenses, a stipend of Rs. 15 each per month.

The Lady Supervisors organize thrift and better-living societies for women in the villages. Trained Lady Supervisors are now working in Partabgarh, Masodha (Fyzabad) Itaunja, Orai, Moradabad and Benares.

THE CURRICULUM AND SESSION.

The curriculum is framed separately for the different classes and is made to answer the purpose in view. The whole idea is to provide the Supervisors with accurate and adequate knowledge on subjects which are closely and directly connected with the life of the village. The curriculum naturally therefore covers a fairly wide ground and it includes, among others, the following subjects. Rural economics and agriculture, Tenancy legislation; main ideas regarding Irrigation, District Board and Village Panchayat, Railways and Post Offices, Co-operation; Patwari's records; Field survey and measurement, First-aid, Sanitation and Hygiene; Scouting; Fruit-culture and Poultry-keeping.

The session lasts for a year—from September to August. Theoretical work is carried on in the Institute for about 9 months in the year while for 3 months the class goes on tour in the villages in several batches—each batch being in charge of an Inspector. In the course of the tour, the students live in camps with the Inspector and gain a first hand knowledge of the village and its problems. Each student is given 2 to 3 societies. He must live in that area, study the villages, enquire into the economic condition of the people living therein, prepare family budgets and lastly, suggest suitable and practical lines of improvement which can be readily adopted.

This camp life and practical village work is a test for the candidates to judge for themselves their ability for field work. Some of the students finding the job rather hard drop away before completing their year's training. At the end of the year, a final examination is held in

August. Papers are set and valued by Assistant Registrars. Those who pass the final examination have to work as apprentices for about a year to show their fitness for the work. They are placed in charge of a small group of societies under the guidance of a select Supervisor. They receive a small subsistence allowance during this period.

RECRUITMENT.

The candidates are selected by a Selection Committee from among a large number nominated by the Central Banks, the officers of the Co-operative Department, the Director of Agriculture, the Director of Industries, Principals of Agricultural and Industrial Institutions and by the District Boards. Each has the right to nominate 4 persons. The candidates must be between the ages of 22 and 30, must have passed the Vernacular Final Examination in the first or second division or the High School Examination or its equivalent. They must belong to an agricultural family living in a village or they must have a strong rural bias. Those who have qualified themselves for any special work at any recognised technical institution are also eligible. The auditor candidates are mostly graduates or intermediate in commerce.

The Selection Committee consists of a representative of the Co-operative Department, a representative of the U. P. Co-operative Union and the Deputy Director of Agriculture at Partabgarh. A competitive test is held at Lucknow followed by personal interviews to select the candidates. The Committee usually selects as many candidates as can possibly be absorbed in the movement, with a little surplusage to provide for failures, wastages and other contingencies. No guarantee is or can be given of their employment.

COST

No fees are charged for teaching. The boarders pay a nominal rent for furniture and cooking utensils supplied to them (4 annas per month). Students make their own arrangement for servants and food. A number of them join together and run a common mess. It costs about Rs. 10 to Rs. 12 per head for students living in the Institute. The Institute cost about Rs. 257 to the Co-operative Union in 1932-33.

EXTRA-CURRICULAR ACTIVITIES

There is a small library in the Institute for the benefit of the students. The Union makes a small grant for the library. Occasionally, the students stage simple rural and social dramas for the amusement and education of the village people. Provision is made for supplying simple

medicines in cases of emergency. The Civil Surgeon acts as the Medical Officer of the Institute. Poor students get help from the Students' Fund raised by voluntary subscription from the students themselves. A co-operative store is run and managed entirely by the students. The share capital was Rs. 88 in 1932-33. The Warden controls the finance and the working of the stores. As the Institute is located far from the town, the stores saves a lot of worry and inconvenience to the students. It also provides them with a limited opportunity for training in business. A committee of 5—elected every fortnight from the students—manage the purchase and sale of commodities for the stores. As they change every fortnight, while no student is burdened with permanent work for the stores, every student gets, by turns, a chance of rendering some service to it. Thus the work gets on. The annual turnover is limited to a few thousands, but a small surplus is left at the end of every year. It did a business of more than Rs. 6,000 in 1933-34 and made a saving of Rs. 50. It therefore allowed a good dividend to the shareholders.

There is a club for games—Indian and English. Volley-ball, football and hockey are very popular. Other recreations and social activities are also arranged by the students themselves. They raise funds from among themselves by small monthly subscriptions while the U. P. Co-operative Union also grants some money for the purpose. Some daily newspapers and monthly periodicals are subscribed for, while the Department also sends a large number of them free of charge.

They are a happy family and the Institute is doing very useful work for the co-operative movement in the United Provinces.

It is true a man is likely to be more efficient in business who has braced his mind to hard work in subjects that have no connection with it, than if he had occupied himself with an enervating form of technical instruction, however directly that might bear on his after-work. But provided the studies themselves be of a truly liberal character, the closer their relation to his after-work the more active is his interest in them likely to be : his mind grows with his work and he may increase the world's wealth of knowledge.

—Alfred Marshall.

CO-OPERATIVE EDUCATION IN BIHAR AND ORISSA

By

MR. B. B. MUKHERJEE

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Co-operators have taken the training of the co-operative employees in the principles of co-operation as the sole end of co-operative education while spasmodic efforts have, no doubt, been made in several Provinces to educate the members in co-operative methods. The result has been that the movement has gone down steadily and it has been criticised by competent critics as representing neither true co-operation nor good business. While the Co-operative Department has gradually stiffened the rules and regulations, the primary societies have rapidly accumulated arrears and have in many places stagnated. The idea originally was that the society, as a self-governing institution, should under the fostering care of the paid employees learn the principles of self-government so as to be able to dispense with outside assistance in course of time, but this ideal has rarely been attained and the society to-day is "ever sick," requiring constant attention and frequent medication.

Illiteracy is certainly a great stumbling block to co-operative education, but instances of members severing connection with their societies after the satisfaction of their immediate economic needs are as frequent in the State of Travancore with its high literacy percentage as in the rest of India. The stiffening of co-operative laws, increase in the number of supervisors or a thorough overhauling of the co-operative structure alone will not pull up the movement from its present rut, till an intensive effort is made not only to educate the members and office-bearers of societies and banks in the principles and methods of co-operation or to train the employees in its technique but the message of co-operation should be broadcasted so that the Indian nation may in course of time be surcharged with co-operative principles and all the strata of our society may be leavened with ardent co-operators of all ages.

Co-operative education in Bihar and Orissa may be said to have begun in 1929 when at the Bihar and Orissa Co-operative Congress held at Cuttack under the chairmanship of Mr. V. Ramadas Pantulu, a resolution was passed whereby the co-operators imposed a tax on themselves with a view to establish a Central Co-operative Training Institute in Bihar and a Secondary Training School in Orissa. Before this, we had short period classes for the training of employees with the

Departmental staff as instructors, and officers were deputed occasionally to hold training classes for members at different places. As these did not prove successful, it was decided to centralise the co-operative training of employees and to make it more thorough and widebased. It fell on me to give shape to these ideas as the first Principal of this Central Institute.

In the first place we decided that co-operative training being primarily the work of educationists, competent specialists should replace the departmental staff and these teachers made a thorough practical study of the different branches of co-operation. Secondly, we had to inaugurate various experiments in the methodology of co-operative training with a view to perfect our technique. Our aim was to develop the true co-operative spirit among the students and to equip them with all the theoretical and practical knowledge necessary for them in their actual work. At Sabour we had the advantage of a commodious Hostel and the students were formed into a Hostel Society and entrusted with its management with minimum interference from the Institute authorities. The day began with the students assembling in the Hall for the Song of Service and Brotherhood and the evening saw them, after their work in the class room and in the farm, holding Adult Education classes, or discussing village problems in the villages round about Sabour. Monday was the Thrift Day at the Hostel when the boarders brought in their Homesavings Boxes their paltry savings. The Co-operative Stores run by them gave them a valuable training in book-keeping and business methods. In our Institute course we gave special importance to practical agriculture, cottage industries, village sanitation and cattle diseases so as to make the employee an all round first aider in the countryside. For practical training the students were formed into small groups and were placed in charge of co-operative societies in the neighbourhood and their work was regularly scrutinised by the Institute staff. Thus the students were given an opportunity of applying the lessons learnt in the classroom to problems arising in the field and the lessons learnt in the field supplemented their theoretical knowledge. Besides this, various experiments were made to improve the present methods of adult education with a view to educate the villager by the spoken word as the written word was not within his reach.

Our next problem was to widen the scope of the Institute and to provide for the training in principles of co-operation of as wide a circle of co-operators as possible. It was realised quite early that if the Institute restricted its activities only to the training of paid employees the time would soon come when, at the present rate of expansion, the demand for trained employees would decline. Besides it was found by experience that trained employees did not find full scope for the appli-

cation of their knowledge when they had to work under untrained Secretaries and other office-bearers of banks and societies. Hence our next step was to arrange for short classes, study circles and weekend conferences for these office-bearers at different centres. These classes were attended by village Directors of Banks as well as by the educated Preference Directors of urban areas. Everywhere we found the greatest keenness for knowledge displayed by even greyheaded Bank Directors. The Propaganda Officers carried on simultaneously 15-day classes for secretaries and members of societies at different village centres.

With the development of rural welfare activities in the different parts of the Province due to the efforts of Mr. Y. A. Godbole, I.C.S., Mr. N. K. Roy, Mr. Taraprasanna Ghosh, Munshi Shyamsundar Lal and others, we were faced with a demand for trained Village Welfare Supervisors and we inaugurated a 6 months' course for them. With a view to expand the work of village uplift rapidly through honorary village workers and also to interest villagers of influence having some vernacular education in co-operation and rural welfare, we started a special 3 months' course for village welfare leaders. In the prospectus for this course it was clearly mentioned that this training would not lead to any employment yet we had about 80 applications from actual farmers and farmers' sons. Great emphasis was laid in this course on agriculture, dairy and poultry-rearing and the instruction, which was imparted in the vernacular was made as practical as possible. In addition to the usual subjects, lectures on Indian History, Geography and Literature were also delivered so as to give a cultural basis to this course and this class was conducted on the lines followed in the Folk High Schools of Denmark. Many of the students trained in this class have developed various activities in their villages and have improved their own methods of farming. They are the live beacons of village welfare in the countryside.

It has been mentioned before that the movement taxed itself with a view to meet the cost of running the Institute. State aid was inadequate and this too, owing to financial stringency, was stopped and thus the movement had to meet a Bill of about Rs. 30,000 for training at a time when most of the Banks and societies had been hard hit due to the worldwide depression. After necessary retrenchments, the movement was maintaining the Institutes when the great Earthquake of January 1934 gave it a deathblow and thus terminated, at least for the present, the first comprehensive and intensive attempt to tackle the problem of co-operative education in Bihar and Orissa.

Is education only intellectualistic in its outlook or should it give practical meaning and purpose to life?
—J. P. Warbasse.

A SCHEME FOR CO-OPERATIVE TRAINING IN BENGAL

By

MR. A. M. ARSHAD ALI,

Offg. Registrar of Co-operative Societies, Bengal.

Notwithstanding the unanimity with which the authoritative bodies have stressed the importance of the training of members of co-operative societies in the principles of co-operation, little has been done for providing such training in India. So far as Bengal is concerned, the only training that is given to the departmental staff is through departmental examinations and by placing the new recruits in charge of experienced departmental officers for practical training for a short period, besides the holding of training classes at irregular intervals for newly appointed inspectors and auditors as also for the paid secretaries and managers and supervisors of Central Banks. This arrangement is wholly inadequate, particularly as there is no provision for a refresher course afterwards. The department is understaffed; consequently the entire working time of the officers throughout the year is absorbed in their routine duties, so that they do not find any opportunity whatsoever to refresh their knowledge in the later years of their service. Naturally, therefore, they cannot be considered to be fully qualified teachers for teaching the principles of co-operation to the members of village societies nor have they sufficient time and opportunity to devote themselves to this work.

The supervising staff of the Central Banks, including the paid secretaries, form the main agency for primary supervision of village societies and it is they whose legitimate duty it is to impart co-operative education to the members of societies. But they are recruited from untrained men and no suitable and regular arrangement exists for their training in co-operative principles after their appointment though the Department insists that the paid secretaries of the Central Banks should appear at the departmental examinations held for officers of the Department. This staff are thus not competent to take up the task of training members of societies and they will remain so unless and until they are themselves first trained. A few years ago the Department drew up a scheme for the training of the paid secretaries and managers and the supervisors of the Central Banks in different centres but this proposal has found no favour with the Central Banks which have shown great reluctance in sending their officers to the training centres.

Although the Department and representatives of co-operative societies in Bengal have acknowledged from the very beginning the need and importance of co-operative education and training and efforts have from time to time been made to introduce such education, no regular course of co-operative training has so far been introduced. The Bengal Co-operative Organisation Society with the help of the Department has attempted to institute a systematic course of co-operative training for the departmental staff and the paid secretaries and managers of Central Banks but for want of adequate funds it has not found it possible to do anything more than the holding of training classes at irregular intervals.

The activities of the Bengal Co-operative Organization Society are now practically limited to the publication of two periodical journals, one in English and the other in Bengali, and the entertainment of two lecturers. The Bengali journal requires to be improved and enlarged, keeping in view the limited intelligence, taste and power of assimilation of the half-literate members of village societies for whom it is mainly intended. A staff of two lecturers only for the dissemination of co-operative knowledge to members of over 20,000 co-operative societies is, on the face of it, quite inadequate. The Society has started a training class from October last in which a batch of 30 young men, mostly graduates, are now undergoing training. The course is for 10 to 12 weeks.

There is absolutely no doubt that most of the serious defects in the co-operative societies such as the appropriation of large loans by office-bearers of societies, utilisation of loans for unproductive purposes, default of *kists* of repayment inspite of the ability to repay, lack of interest of the general body of members in the management of the societies and general apathy of the members for any work of rural reconstruction and village welfare would never have become prominent if the members of co-operative societies have been made to realise the implications of the co-operative principles. The present economic depression has thrown into relief these defects and what is essentially necessary now to regenerate the movement is to inculcate co-operative principles among the members of co-operative societies with a view to effecting a change in their outlook. Any delay in doing this is likely to bring about disaster ultimately to the whole movement.

To counteract the effects of depression various measures have been and are being taken by the Department in collaboration with the Central Banks. The entire outdoor staff of the Department has been directed to assist the Central Banks in the collection of their outstanding dues. Co-operative circles have been formed as units with an Auditor in charge of each unit for better supervision and control of the working of the societies as also for improving the collection of the dues of the Central

Banks. Conferences with depositors and shareholders have been held in various places with a view to reducing the rate of interest and thereby balancing the budget of the Central Banks. Cultivation of valuable spring crops has been encouraged wherever possible for improving the repaying capacity of the members. The rates of interest chargeable from individual borrowers have also been reduced to the minimum consistent with the solvency of the Central Banks. Assurances have been obtained from the members of village societies for punctual and regular payment of the annual interest and also a portion of the arrear interest due from them. These measures taken by the Department will undoubtedly help the Central Banks to a great extent in improving their position for the time being, but with a view to eradicating the defects wholly from the body of the co-operative movement and for making the movement a well-organised and sound one, systematic and thorough education of the members of primary societies in the principles and meaning of co-operation by teachers competent to perform the task efficiently is of imperative necessity.

In formulating a training scheme with any prospect of success we must take into consideration the most important fact that we are in want of competent teachers. The staff of the Co-operative Department, viz., the Inspectors and Auditors of co-operative societies, and the paid Secretaries, Managers and Supervisors of Central Banks should therefore be given adequate training to enable them to become competent teachers. For this purpose, it is necessary to have a central training institution under the control of the Bengal Co-operative Organization Society. In the present state of our finance, it is not possible to think of any decentralised training scheme with training institutions in different parts of the province which perhaps would have been more convenient for the officers in attending the training camp. At the same time, account must be taken of the difficulty in the mofussil of securing the services of a suitable number of competent teachers for imparting training. In view of the many advantages that Calcutta offers in this matter, such as the availability of competent men to take up the training classes, the existence of a good library of co-operative books and the office of the Co-operative Organisation Society in which the training classes may be started with less cost immediately, it is advisable to have the Central Training Institution at Calcutta.

In the Central Training Institution, arrangements will be made for the training of Inspectors and Auditors of Co-operative Societies, and Secretaries, Managers, and Supervisors of Central Banks. A selected number of educated young men may also be taken in for training with a view to popularising co-operative education as also creating a field for future recruitment to the Co-operative Department and the Central

Banks. The number of Departmental officers along with those of the Central Banks is at present about 1,200. They should be requisitioned for training in batches of not more than 100 officers in one batch. The training should be continuous throughout the year and the period of training for each batch should not be less than 3 months for both theoretical and practical training which should be given simultaneously. It is expected that much practical training will not be necessary for the existing staff as the majority of them have already received such training in course of their actual work but in the case of new recruits both theoretical and practical training should be given to the fullest extent. The staff trained in one year will have to attend a refresher course after every 3 years unless any suitable arrangement is made hereafter for refresher courses in mofussil centres or the Registrar exempts any of the officers from such attendance. At the end of the training period, the officers of the Department as also the Secretaries and Managers of the Central Banks who have not passed the Departmental examinations will have to appear in such examinations as laid down in the General Circular No. 12 of 1932. There will be a separate examination for the Supervisors after the training period which will be held under the auspices of the Bengal Co-operative Organization Society. No fees will be charged from the officers attending the training classes but they will be expected to make their own arrangements for boarding and lodging during their stay in Calcutta. There will be three sessions for training at the Central Institution in each year.

The curriculum to be followed for the training of Inspectors and Auditors of Co-operative Societies, and Secretaries and Managers of the Central Banks will be as follows:—

(1) Principles and History of Co-operation; (2) Co-operative Law, Bye-laws, circulars, etc., (3) Organisation, supervision and working of societies including arbitration procedure and liquidation proceedings (includes Co-operative practice); (4) Audit and Account keeping; (5) Elements of Rural Economics; (6) Elements of Banking, specially Co-operative Banking; (7) Practical Agriculture; Animal Husbandry; (8) Rural Reconstruction: Public Health and Sanitation; (9) Law (relevant portions); (10) Publicity work.

The books to be prescribed will be determined by the Governing Body of the Central Co-operative Training Institution.

The Curriculum for the training of Supervisors will include a brief elementary course in all the subjects prescribed for the training of Inspectors and Auditors of Co-operative Societies and Secretaries and Managers of Central Banks.

The proposed Scheme of Co-operative Education and Training should include arrangements for the training of office-bearers of village societies and the education in co-operative principles of members of societies which is our real objective. It is apprehended that there will be considerable difficulty in making suitable arrangements for the training of office-bearers of village societies, particularly because it will require a good deal of persuasion to induce them to attend a training camp, which may be far away from their home, regularly every day. This may not be successful at any rate in the beginning without some remuneration which should be met by the societies concerned with the help of such subsidies as the B. C. O. S. can afford to grant. A daily allowance of 0-8-0 per head for attending the classes will, I think, be sufficiently attractive. To further ensure the attendance of the Secretaries in the training centre it is desirable to locate the centre at the headquarters of the Circle Auditor which will generally be a place of considerable local importance and where the office-bearers of village societies will be accustomed to come frequently for discussing their banks' affairs with the Auditor. For the training purpose the circle may be divided into Supervisors' charges so that all the Secretaries in a Supervisor's charge numbering 25 to 30 may attend the class at a time. The training period of the Secretaries may be ten days to two weeks. The Circle Auditor will arrange a public school or any other suitable place for holding the classes. The instruction will be given by the Circle Auditor as also by Supervisors who have had their training at the Central Training Institute. Any local officer of the Agriculture, Health and Veterinary Departments either under Government or District Board may also be invited to give lectures on practical agriculture, animal husbandry, public health and sanitation. These training classes may generally be held during the winter months as it is considered to be more convenient for the people to attend classes in the dry season. In fixing the time for training, the convenience of the people as to when they will be free from agricultural work should be taken into consideration.

The subjects for instruction in the training classes of Secretaries of village societies will be :—

(1) Elementary principles of Co-operation, (2) Co-operative Act, rules and bye-laws, (3) Co-operative practice and management, (4) Accounts, (5) Practical agriculture, (6) Village Reconstruction and (7) Publicity work.

The Bengal Co-operative Organization Society will meet all small contingent expenses of the training camp.

Finally, arrangements should be made for the education of members of village societies as well as the general public in co-operative

principles. The training of the Departmental and Central Bank staff and the office-bearers of primary co-operative societies as indicated in the previous paragraphs will supply the necessary agency for the co-operative education of the members of village societies, but in my opinion this agency will not alone be sufficient for giving general training even to the members of over 20,000 village societies apart from the question of disseminating co-operative knowledge to the general public. The officers of the Co-operative Department as well as the Central Bank staff cannot be expected with their multifarious routine duties to devote a considerable portion of their time to the work of imparting co-operative education to the members of societies and the masses without detriment to their work. Their efforts in this direction should therefore be supplemented by an independent agency which should be exclusively engaged in this work. I would, therefore, suggest that an agency in the form of a peripatetic staff consisting of an adequate number of labourers, say ten, should be appointed who will devote themselves entirely to the task of imparting co-operative education to rural people including members of co-operative societies. These lecturers will come into touch with the members of village societies and the rural people through the help of Circle Auditors and Central Bank Supervisors and arrange lectures on co-operative and other allied subjects at suitable centres in different divisions of the province. They should be provided with lantern slides and cinema films for illustrating their lectures with a view to making them more attractive to the rural people. They will also arrange exhibitions and co-operative conferences in the districts and sub-divisions in consultation with the Central Banks and Departmental officers. Recently, co-operative conferences have been of the greatest use not only for educating representatives of village societies in co-operative principles but also for removing from their minds the impression of various mischievous propaganda urging non-payment of rents and debts, etc. Such conferences should be attended by a representative of the Bengal Co-operative Organization Society wherever possible. Government Departments, such as the Departments of Agriculture and Public Health, should also be invited to participate where possible. It is most desirable that in these conferences the Bengal Co-operative Organization Society should provide for awarding prizes in cash or certificates of proficiency to successful rural co-operative workers. The activities of the peripatetic staff will be generally guided by the Governing Body of the Central Co-operative Training Institution.

The question of finance is certainly of great importance in carrying out the various measures suggested for giving effect to the aforesaid training scheme. It must be made clear that as the training of members of co-operative societies in co-operative principles is a responsibility of

the village societies and their financing agencies, the Central Banks, the major portion of the cost necessary to carry out the scheme should be provided by the co-operative institutions themselves. Government is now supplementing the efforts of the co-operative institutions in this direction by an annual grant of Rs. 7,000 to the Bengal Co-operative Organization Society, Ltd. It is necessary to devise ways and means for collecting the necessary funds from the societies for meeting the cost of the scheme.

As regards the teachers for taking up the classes, the Department will arrange to depute four experienced officers for the purpose for which no extra cost will be involved. In addition to the departmental staff at least four teachers from outside may be necessary. These teachers will be selected from among persons having sound knowledge in accounts, law, rural economics and general co-operative principles. They will have to be remunerated for their lectures. Besides, the Honorary Secretary of the Bengal Co-operative Organization Society and some of the superior officers of the Co-operative Department posted in Calcutta will, I hope, find time to take up classes on particular subjects occasionally.

The conduct of the activities enumerated above will be entrusted to a Governing Body consisting of (1) The President of the Bengal Co-operative Organization Society; (2) The Registrar of Co-operative Societies, Bengal; (3) and (4) Two members nominated by the Central Board of the Society; (5) and (6) Two members nominated by the Registrar and (7) The Honorary Secretary.

An estimate of the expenditure and income necessary to start the scheme is given below :—

EXPENDITURE	Rs.
1. Central Co-operative Training Institute (including house rent, remuneration to lecturers, price of books, contingencies and other expenditure) ..	6,000
2. Peripatetic Staff of 10 lecturers (including pay and travelling allowance of lecturers, rewards and remuneration to office-bearers of village societies, preparation of lantern slides, etc.) ..	10,000
3. <i>Bhandar</i> —to be published in an improved form ..	15,000
4. Bengal Co-operative Organization Society, Establishment charges—including T. A. of members of Central Board, house rent, pay of the staff, the cost of publication of the <i>Bengal Co-operative Journal</i> , etc. etc., ..	11,000
Total	Rs. 42,000

In addition to Rs. 42,000 required for the annual recurring expenditure, a sum of Rs. 5,000 will be required in the first year to meet the needed capital expenditure.

INCOME	Rs.
1. Government grant	7,000
2. Contribution from 20,000 village societies @ 1/8/- per society	30,000
3. Contribution from Central Banks, limited liability societies and other sources (advertisement, etc.) ..	5,000
Total	Rs. 42,000

The contribution from rural societies will be realised by Departmental officers out of the profits of each society at the time of the annual audit. As regards the rates of subscriptions payable by central and limited liability societies, these will have to be revised by the Bengal Co-operative Organization Society on the recommendation of the Committee referred to in para 16. It is hoped that the necessary revision of the bye-laws of the Society will be made at once.

CO-OPERATIVE EDUCATION IN MADRAS

By

PROF. S. K. YEGNANARAYANA IYER, M.A.

Co-operative education, like many other departments of co-operative activity has been an institution of slow growth in the province. Philosophers define evolution as a progress from simplicity to complexity and from homogeneity to heterogeneity. It is true of co-operative education as well. In the earlier days, it was merged in the general co-operative propaganda which the officers of the Department, helped by enthusiastic non-official workers, were able to do either before organising new societies or in the matter of running them efficiently. But as time advanced, the need was felt for specialised co-operative training, and the need has been met in different ways, as we shall show.

Even at present, it must be admitted, that co-operative education, in the fullest sense of the term, has not been comprehended in all its aspects, and the present machinery caters in the matter of co-operative training only to a small extent. Properly understood co-operative education should imply the training of co-operative recruits in the general principles of co-operation so that they may become efficient members of societies and run them without much external help and the possibility of adverse criticism. It also implies a slightly higher dose of knowledge of co-operative principles on the part of office-bearers of the society, who by precept and example ought to be leaders of the general body of members. Thirdly, a different kind of education, slightly more technical, has to be given to secretaries of societies and clerks, who run societies individually or in small groups and who attend to day to day work. These require not merely a knowledge of the fundamental principles of co-operation but added to it, some basic principles of book-keeping and business correspondence. Still another form of training has to be given to supervisors, bank inspectors, managers of big urban banks and minor officers of the Department who have to be technical experts and be in a position to guide and lead the members of primary societies. Last but not least, the Registrar and his important officers, and non-official leaders of the highest status and responsibility also require some grounding in co-operative principles, and facilities should be afforded to them to keep themselves in touch with co-operative thought and activities in other parts of the world so that they may be abreast of the times and give a correct lead to the movement, as circumstances may require. The

future citizens of the State, the students of schools and colleges of the present day, also should be trained in principles of co-operation so that, when they step out of these institutions, they may be able to play their part as citizens and be properly equipped to run co-operative societies. All these various aspects of co-operative training come under the comprehensive term "Co-operative Education" and even to-day it is only certain aspects of it that are attended to by certain agencies. The system is, however, incomplete and ineffective, as we shall show.

As was stated at the outset, in Madras the entire responsibility of preliminary propaganda and organisation and later on of supervision and audit rested with the Department and in the matter of co-operative education, they did as much as circumstances permitted. The need, however, for efficient grounding in the principles of co-operation on the part of those who were expected to run the societies, was felt even as early as 1915, and the Maclagan Committee laid emphasis on careful teaching of the principles of co-operation before and after registration and were of opinion that most of the faults which they found in societies were due to the lack of such teaching.

The Townsend Committee, which examined the working of the co-operative movement in this province at some length, drew pointed attention to the importance of co-operative training and of the dire consequences of the lack of such efficient training (para 51). They went into the question in great detail and made valuable suggestions for the training of official and non-official staff. They recommended that the Provincial Co-operative Union should be entrusted with the responsibility of looking after educational activities of federations and co-ordinating them. They also recommended a liberal grant by the Government of Rs. 3 for every Re. 1 raised by the Provincial Co-operative Union. The Government did not, however, take adequate action on the lines recommended by the Committee. The situation would be clarified and a correct general impression would be obtained if we estimate the work in the field of co-operative education done by various agencies.

THE GOVERNMENT.

First there is the Government. It has been doing off and on a certain amount of work in the field of education through its officers. In the earlier days the officers were the only agency for the promulgation of co-operative principles among the masses. But there has not been any satisfactory arrangement even for equipping the officers with the necessary amount of co-operative knowledge. An experienced officer of the status of a Collector is appointed as Registrar and the utmost training he gets is an opportunity to travel in Europe and

study the working of co-operative societies there together with what reading he could do of co-operative literature; and the subordinate officers are tacked on to senior officers and they pick up co-operative knowledge during the few months of probation. Coming down to lower grade Government officers, the Provincial Government has been wavering in its view whether the training of such officers should be entrusted to non-official bodies like the Provincial Co-operative Union or the various training institutes that had been functioning till recently or whether they should look after the training of their own subordinates themselves. The latter opinion seemed to prevail for a period and they started co-operative training as an auxiliary branch of the Government Institute of Commerce. But just then the world economic depression began and the Government was forced to make all possible retrenchment, and the Committee appointed for the purpose recommended the abolition of the Government Institute of Commerce and the co-operative training as a part thereof. The Government has been giving a subsidy to Training Institutes and also to Federations for conducting training classes for members and Panchayatdars, but never on the liberal scale recommended by the Townsend Committee and never also entrusting all its subsidy to one central non-official institution, leaving it to have it distributed among the various educational agencies. The Government seems to have felt that these institutions, each training about 50 candidates a year, would be throwing into the market more trained hands than could be absorbed, and recommended the reduction in the number of Training Institutes. But they were not able to reconcile the rival claims of the various institutes to survive and hence they dealt with the situation in a summary way by practically compelling all institutions to be closed and sanctioning only two Peripatetic Institutes of a lower cadre and re-starting their own training school, from which they hope to recruit candidates for service in the Department. From all these, it would be clear that the Government does not seem to have a definite policy in the matter of co-operative training either of their subordinate officers or of aspirants for service in co-operative institutions.

THE PROVINCIAL CO-OPERATIVE UNION.

The Provincial Co-operative Union, which was registered as a propaganda body and whose constitution has recently been changed to make it more representative, is easily the best fitted institution to carry on co-operative educational activities; and true to its ideals, it started the first training class in the year 1925 under the leadership of Rao Bahadur A. Vedachala Iyer, who had just then retired from his high office as Registrar of Co-operative Societies. The Provincial Co-operative Union was then able to enlist the services of a large number of distinguished

co-operators in the city as honorary lecturers and the quality of instruction imparted on the first occasion was really high. Later on the same policy was continued for two more years; but the Provincial Co-operative Union had to give it up and confine its activities to do effective propaganda in the city of Madras, as by that time various training institutes were started in the mofussil.

The P. C. U. was represented on the management of these training institutes through its President, who along with the Registrar, was an *ex officio* member on such committees, and later on the P. C. U. itself took up the onerous task of co-ordinating the activities of these institutes by having an educational sub-committee of its own on which representatives of the various institutes sat and deliberated along with some educational experts and the Registrar. This period, when there were a number of training institutes each being financially independent but all affiliated to the Provincial Co-operative Union, which was ultimately in charge of co-operative education, may be considered to be the brightest period in the history of co-operative education in this province. The P. C. U. assumed in course of time the responsibility for conducting a common examination for all the candidates trained in the various institutes which had been previously conducted by the Department. But the trouble came when six institutes were considered to be too large a number and a reduction had to be made. Not being able to exert its influence in the matter of inducing the affiliated institutes to have their number reduced, the P. C. U. had to take up a passive attitude when the Government passed G.O. No. 27 S. Ms. dated 20th June 1934 establishing its own training school and reducing the number of training institutes to two, and converting them into peripatetic ones with shorter courses. The P. C. U. however protested against reducing the course from nine months to four months in the mofussil schools and at first would not have anything to do with the new kind of training expected to be given therein. When, however, one of its affiliated institutions was prepared to accept the Government decision and run a school as contemplated in the G.O., the P. C. U. had to acquiesce in the new arrangement contemplated by the G.O.

It would be seen from the above sketch of the educational activities of the Provincial Co-operative Union that it has always been willing and eager to play its part as a chief educational institution of the province; and over and above the responsibility it has taken up in the matter of fixing up the syllabus, conducting examinations and co-ordinating the activities of the institutes, it has always been making as liberal a provision as its limited finances would permit, to appoint lecturers and propagandists to go about in the province and do educational

propaganda, especially on behalf of non-credit co-operation. The work done by the P. C. U. in this line deserves special mention.

FEDERATIONS AND INSTITUTES.

Simultaneously with the Provincial Co-operative Union organising training class for Supervisors in 1925, two federations (Chingleput and South Canara) took up the task of conducting Panchayatdars' classes and the Government was pleased to give a subsidy of Rs. 1,200 a year to the P. C. U. and the federations. Later on, when the idea of starting training institutes arose, federations in certain districts, like North Arcot and Coimbatore, came forward undertaking full responsibility in the matter. In due course, Training Institutes were established, at first at Tanjore, Anantapur and Bezwada and later on at Coimbatore and Vellore and lastly at Rajahmundry, so that by 1928-29 we find six institutes in full working order. They gave training to about 800 candidates in a year and spent roughly about Rs. 23,000 in the running of these institutions, of which about Rs. 19,000 was contributed by the Government as subsidy. At first these institutes had three courses of training in the year, each extending to three months and later on it was reduced to two, the period extending to 4½ months in each case, and in the year 1931-32, the course was again extended to one full year. By that time, however, the economic depression made itself felt, the Government was trying to retrench and there was a glut of trained hands in the market, and the question was seriously mooted whether the number of institutes should not be reduced. As was mentioned previously the institutes could not come to an agreement themselves, and the Government had to pass G.O. No. 27 S. Ms. dated 20th June 1934 practically abolishing all of them. But most of these institutes had acquired some property and some had buildings of their own, all of them possessed good libraries and therefore even though the P. C. U. in its representative capacity did not approve of the G.O., there was a tendency on the part of at least two of the institutes to reconcile themselves to the situation and play their humble part as peripatetic institutions on the well known principle that "half a loaf is better than no loaf."

Over and above these three agencies, i.e. the Department, the Provincial Co-operative Union and the Institutes and Federations, some sort of co-operative education has been attempted in some schools of the province where enthusiastic teachers have started students' co-operative stores for the supply of books and articles of stationery. The share of the students of schools and colleges in running these institutions may not be a very important one, but still some direct training is given in the running of these institutions and cases are not rare of students who

took an active part in their school and college days in the running of these stores becoming ardent co-operators later.

It will not be too much of a strain on language if we consider periodical conferences—taluk, district and provincial—as potent agencies for co-operative education. They were definitely so in the earlier days and many a mofussil co-operator came to Madras, took part in the discussions of the conferences, had opportunities of comparing notes with fellow co-operators assembled from various parts of the province and went back a better co-operator than before.

Summing up, the general impression conveyed by a survey is that the problem has not been comprehensively envisaged. The different kinds of instruction to be imparted to different grades of people have not been well thought out. The financial implication of the scheme as a whole has never been clearly discussed and responsibility fixed in the matter. Different agencies for handling co-operative education in its various stages have not been created, or where they existed have not been well co-ordinated, so as to avoid duplication and waste. In the humble opinion of the present writer, the P. C. U. should be entrusted, as the Townsend Committee rightly pointed out, with the responsibility for co-operative education in all its grades. There must be a college with a two years course run for the training of higher officers of the movement, official and non-official. There must be organisations in the district or at least in some select centres for the imparting of essentials of co-operation and business-methods so that supervisors, clerks and secretaries of primary societies might be well trained. There must simultaneously be some arrangement to give rudiments of co-operative education to every individual member of primary societies, and mass education should be carried on not merely by lectures, but by cinema shows and other methods of modern effective propaganda. Side by side with this, there must be some arrangement for enlisting the sympathy of the youths of the country in the cause of co-operation. The task is very vast and the field already covered is so little. The Government must boldly come forward undertaking the entire financial responsibility. It is only by a harmonious combination of the best heads in the ranks of officials and non-officials and by a co-ordination of the activities of the Department and the P. C. U. that an efficient, and at the same time economic, plan of co-operative education can be formulated and actually put into practice; and we hope that ere long such a thing would be achieved.

TEACHING OF CO-OPERATION IN HIGH SCHOOLS AND UNIVERSITIES

By

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The necessity of teaching co-operation not only in high schools but also in the middle schools and public ones does not need, in my opinion, to be very much defended. Co-operation became a big progressive factor in the economic life of nations and if in some countries it is not very well conducted, we have to look for the reason in the lack of employees with special training. In many countries co-operators took in their own hands the organisation of courses and schools for the training of their staff. But this is far from being enough.

One must remember that education, in general, is in the hands of the State and in this respect nobody can compete. The State has large means for this purpose, also a trained staff of teachers and professors.

It is important that the State should take into consideration the new organization in the life of the people, called co-operation, and should help its development. State employees, who received their education in governmental schools, often display a complete misunderstanding of the co-operative movement.

Up to the present the governments were little interested in co-operation. One can say that in lower and middle schools co-operation was hardly taught. Only two countries, Argentine and Bulgaria, made the teaching of co-operation obligatory in some lower and middle schools.

The teaching of co-operation is to be found more often in the high schools, but even there it is very seldom obligatory. That is the reason why those courses never last long, and the lecturing professors take to lecturing on some other obligatory courses.

It may appear strange, but the first courses on co-operation were started in Russia. The author of the present article held his first short course on co-operation in the private high school for women of Professor Leshaft in St. Petersburg in 1905—30 years ago. It must be pointed out that the first to admit lectures on co-operation was not the State, but the private high schools. The example of the private high school of Leshaft was followed by the high commercial school of Mr. Pobedinsky in 1910—also in St. Petersburg. Only after that the teaching of co-opera-

tion was introduced in a State high school—in the Polytechnicum of Petersburg in 1911.

The author of the present lines was asked in 1913 by the University of Moscow to deliver a semi-obligatory course on co-operation; this course was also put on the list of examinations to pass. Nearly at the same time the obligatory courses on co-operation were introduced in two high schools of Moscow: the commercial and the agricultural high schools.

The teaching of co-operation—obligatory and semi obligatory, with and without examinations to pass—was introduced in the next years in many high schools in the Russian province.

The next country where the teaching of co-operation was made an obligatory course was Germany. But it was only in the high Commercial school of Berlin and in the University of Halle, where this course was obligatory before the War. During and after the War, courses on co-operation were introduced in many commercial and agricultural high schools in Germany. Those courses were often obligatory. In the German Universities, on the contrary, courses on co-operation were optional and not obligatory. As an exception can be only mentioned the Universities of Cöln and Berlin where the courses on co-operation were semi-obligatory. Such lawless position of courses on co-operation in Germany did not give the possibility to even such a great specialist on co-operation as Professor Hans Müller to continue his lectures in the University of Jena.

The other countries did even less than Germany as far as concerns co-operation.

The first institution to introduce courses on co-operation in France was the College of France in Paris, where the lectures on co-operation were delivered by the famous Professor Charles Gide, but he was remunerated not by the State, but by the Union of Consumers' Societies of France. His courses were not obligatory and students had no exams to pass.

Lectures on co-operation are now delivered in many institutions of France, but they are not obligatory, with the exception of the University of Lille, where they are semi-obligatory. Professor Bernard Lavergne is one of the first and principal teachers on co-operation.

The teaching of co-operation in Italy is obligatory in the private Commercial University of Bocconi at Milan; there are courses on co-operation also in the high schools of Florence, Rome and some other towns.

Co-operation is taught also in some high schools in Poland, Hungary, Rumania, Bulgaria, Lettonia and Lithuania, where those courses are obligatory; in Czechoslovakia, Belgium, Scandinavian countries, Portugal, Canada and Japan courses on co-operation are semi-obligatory or not obligatory at all.

To our great regret we cannot mention a single obligatory course on co-operation in such great countries as America and Great Britain. In all the Universities of America obligatory courses can be found on sociology, but not on co-operation. Sociology is interesting only from a theoretical point of view, and co-operation presents an interest both from a theoretical and practical point of view. To the lack of courses on co-operation can be attributed the small development of co-operation in America and the small interest which the middle and high classes in England take in co-operation.

We are sure that the introduction of obligatory courses on co-operation is necessary not only for the co-operative movement itself, but also for the Governments who strongly feel the need of employees with a broad education, and also for the strengthening of the economical order, the peaceful bearer of which is co-operation.

If university teachers are to expound co-operation intelligently they must acquire the work-a-day co-operator's practical interest in the movement. They must see it from the inside as well as the outside. It was because of his power to combine these points of view that Professor Gide enjoyed such unquestioned authority.

—W. P. Watkins.

UNIVERSITIES AND THE SCIENTIFIC STUDY OF CO-OPERATION

By

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Several schemes of co-operative education and training have been tried and suggested in India. But in few of them have the Universities been assigned any definite role in the promotion of co-operative studies and research, not to speak of practical training of would-be co-operative employees or office-bearers. Our leaders have not sought the help of the Universities and the latter have not of their own accord offered any help in training men for the movement. It would not be correct, however, to infer that the feeling between them is one of hostility or indifference and it would not be difficult to show that there are opportunities for mutual help. Let us first study the position in countries where co-operation is more advanced and the interest taken by the Universities there in co-operative studies.

CONSUMERS' MOVEMENT AND THE UNIVERSITIES

Co-operative institutions for higher studies in countries where the Consumers' Movement is strong have been established and directed by the National Unions of Consumers and the Wholesale Societies, sometimes with the collaboration of other central organisations like co-operative banks and insurance societies. The inspiration came from the establishment of the Co-operative College at Manchester by the British Co-operative Union in 1919. Consumers' Unions in Denmark, Sweden, Switzerland, Finland, Poland, Czechoslovakia and Russia followed with colleges and schools of their own offering courses lasting from a few weeks up to three years, for the training of co-operative employees and officials in particular.¹ In its origin and development an essentially working class movement, its leaders did not perhaps, have enough faith in the Universities, which generally catered to the aristocracy and the bourgeoisie, rendering willing and efficient service in respect of co-operative

1. An account of Co-operative Colleges on the Continent is given by W. P. Watkins in *The Producer*, December 1934.

training and education. This feeling is well illustrated by statements we frequently come across in co-operative journals, such as "Eminent co-operators have thought that co-operative education can only be given in a co-operative atmosphere by co-operative teachers" and "The future success of the movement depends on trained leadership. The movement must control its own education."

AGRICULTURAL CO-OPERATIVES AND THE UNIVERSITIES

The ideals of agricultural co-operators have not been so uncompromising; they did not look for a silent transformation of economic organisation as the leaders of the Consumers' Movement did. The rank and file of members were peasant proprietors, each with a stake in land and opposed to the idea of merging individual rights of property in a co-operative commonwealth of the type envisaged by Robert Owen and other revolutionaries. There has been a good sprinkling of the bigger agriculturists in non-credit societies, more especially in the new countries like Canada and South Africa. The co-operative institutions and leaders have, far from fighting shy of Universities, sought their help and financially and otherwise aided them. The Universities in the leading agricultural countries have on their part felt it their duty to help forward the movement as most conducive to the welfare of the rural community. Even in such countries we occasionally hear of the demand for "specifically co-operative education on the ground that the educational agencies already at work are equipped mainly to supply the needs of commerce which differ in many respects from those of co-operation." The South African Commission on Co-operation, whose report was published last year said: "It is more difficult to discover and train the required leadership in co-operative enterprise, than similar leadership in private business, because in addition to business capacity and managerial ability, it is necessary for the leader in co-operation to possess an almost altruistic point of view." And yet the Commission recommended, among other things, courses of instruction to be introduced into the various schools of agriculture and *university faculties of agriculture*, so that students can qualify themselves as officials of co-operative societies.*

* As regards existing facilities for instruction in agricultural co-operation, there are half-a-dozen English Universities with agricultural departments which include co-operation among the subjects taught. In Wales the University College at Aberystwyth gives advanced training in agricultural co-operation to special students of agricultural economics. In conjunction with the Welsh Agricultural Organisation Society, it is said to have provided the most comprehensive scheme of education and

CONTENT OF CO-OPERATIVE EDUCATION

In all these schemes of co-operative studies, the place assigned to co-operation proper appears small and subordinate. The study of co-operation is but a part of a main economics or agricultural course and is not itself an independent or self-contained course. None of the Universities seems to award a co-operative degree or even a diploma. We find no co-operative college as such affiliated to a University. Co-operation is studied more as one method of economic organisation, perhaps the most suited to small agriculturists, while the bigger landlords might be left to follow their own course in a capitalistic system, with which the University had no quarrel. This raises the question whether the co-operative movement is merely "a subsidiary economic organisation" or it should "dominate the whole field of economic activity." The patronising attitude of the Universities might be resented by co-operative leaders. But so far as the place assigned to co-operation by the side of economic studies is concerned, there is some justification from the point of view of the University, unless it be contended that it is its business to turn out technical men able to handle the day-to-day business of a society. But the University is not now expected to offer the necessary training for all

advice to co-operative societies seeking them. In Scotland, three Universities provide instruction in co-operation in their agricultural courses leading to a diploma or degree. In Germany, 9 Universities offer courses in co-operation, some of them for teachers of economics and agriculture. The University of Halle where the Chair of Co-operative Economics has been occupied by Dr. Ernst Grunfeld is the most active centre of co-operative teaching and research. In Hungary, the University of Budapest has a seminar of co-operation in its Faculty of Economics and it is compulsory for those taking the agricultural, diplomatic or administrative courses. In Poland the University of Cracow provides a course of one year in co-operation. The School of Rural Economy provides technical training as well as theoretical instruction in co-operative legislation and commercial practice. In Latvia the Law and Economics Faculty of the University has a Co-operative Section with two professors and two assistants. The Faculty of Agriculture has a Chair of Social Agronomics and Co-operation with obligatory co-operative courses. Co-operative courses are given weekly in all teachers' training colleges. In the United States of America the Universities include co-operation in various general courses. Forty-two special courses are given at 32 colleges, usually in co-operative theory but occasionally in accounts and management. In Canada co-operation is taught by the University staff in co-operative schools. A move is made towards more co-operative instruction in Universities and agricultural schools. In Australia the Perth University provides a course in co-operative agricultural economics . . . This in brief is a summary of the teaching work done by the Universities in the West in agricultural co-operation.—From an account of *Co-operative Education* by Miss M. Digby in the *Year Book of Agricultural Co-operation*, 1932.

kinds of co-operative functionaries. It can render its best service by giving an education essential for the holders of leading positions in co-operation. As a great Professor on co-operation, Dr. Ernst Grunfeld of Halle, has said: "The peculiar service of the Universities will always be in their manner of instruction through which they give a fundamental professional training on the broad basis of general theory and knowledge, giving, for instance, the co-operatives a place in the development of history, economics and sociology, showing their legal status as part of the legal thought of the country, their auditing as part of general business management."

The syllabus of the Honours Diploma in Co-operation in the Co-operative College at Manchester provides for the compulsory study of the following four subjects: Principles of Co-operation, Economics of Co-operation, General Economics and Economic History. For the fifth subject the British students are expected to take Citizenship, while the foreign students are permitted to take Agricultural Co-operation. In addition to the above five subjects, let it be noted, only *one* of the following 'practical' subjects is to be studied: Co-operative Accounts, Co-operative Law and Administration and Co-operative Finance. We see thus that more than three-fourths of the course are not of a practical but liberalising and humanising character. The aim is to train the judgment and not turn out "practicians clever in handling slips or conducting enquiries."

CLAMOUR FOR PRACTICAL TRAINING

The highest and the best of our co-operative training institutes confine themselves to the teaching of the principles and practice of co-operation, banking, book-keeping and auditing. Some little provision has been made for the teaching of rural economics though it is seldom in specialist hands, while economic theory, history, geography and industrial organisation are all ignored, perhaps as being beyond the scope of co-operative studies. Nor is it easy to do full justice even to the history and theory of co-operation, when technical subjects are given such weight in a course lasting for a few months. The recruits to the class are composed of heterogeneous elements, several of whom have had only a secondary school education. To expect, as the Madras Banking Committee did, these institutions to develop into "schools of agricultural commerce" and the teaching staff to carry on investigations into agricultural marketing is to expect the impossible, as most of the teachers have themselves had little training in economic enquiry. This clamour for practical training has led to disproportionate attention being paid to banking routine and accounting technique at the expense of the history

and theory of co-operation, not to speak of economics, whose importance is not realised at all. We do not wish to minimise the importance of accountancy and audit in a course on co-operation as well as in any other business education. But it is easy to exaggerate its importance as the late Sir W. Ashley has pointed out in his *Commercial Education*. "Accounts are tools in the hands of business policy and they are tools which in the right hands have a way of helping people to think. But they cannot by themselves be relied upon to make people think on the essential matters which businessmen should think about. For they are primarily methods of recording the results of business policy, of business decisions; they do not present the considerations from which such decisions should emerge."

IMPORTANCE OF ECONOMIC STUDIES

It is essential for the advanced student of co-operation to get a thorough understanding of the *milieu* in which he has to work, the complications of the competitive regime and the best methods of breaking through the economic and social shackles which have hindered development of co-operation. Without a course on general economic theory and history and some specialised branches of economics—according to the form of co-operative activities concerned—like rural economics, industrial organisation, banking and currency, and labour problems the teaching in our co-operative institutions can only be mechanical and empirical and is apt to mislead with its short-range views. Rural economics is the branch of economic studies that is of vital importance for a proper approach of the difficult problems connected with agricultural co-operation in which India is more interested. This has been amply recognised as evidenced by the earnest pursuit of rural economic investigation by two of the foremost Registrars of Co-operative Societies, Messrs. Calvert and Darling. In most of the Indian Universities agricultural co-operation is treated as an important part of rural economics, which is becoming a practically compulsory subject in all economics courses, while in the highest examination a separate paper on co-operation has been prescribed in some of the Universities. The candidates for the M.A. degree have been encouraged to take up for their thesis work the investigation of rural economic conditions or of some specific rural problems. There is indeed ample scope for further work in rural economics, the distributive side of which may be best tackled by the Economics Departments of Universities, while problems of production are better left to agricultural research institutes, or tackled with their co-operation. By the way, the teaching of rural economics in Agricultural Colleges leaves a good deal to be desired as pointed out by the Royal Commission on Agriculture, who looked indeed to the Universities for promotion of

research and teaching in the subject. What Dr. E. G. Nourse once said of the American Colleges of Agriculture may well be applied to our Agricultural Colleges which now attempt any teaching: "Agricultural Colleges in important farming States offer no comprehensive survey of the field of agricultural economics but instead one or two separate subjects—co-operation, marketing and rural credits are the favourites—which must in the nature of the case be mere descriptive treatments, since the students have had no training in general economic principles. Often the instructor himself has little more."

SELF-CONTAINED UNIVERSITY COURSES IN CO-OPERATION

While economics, particularly rural economics, provides the best foundation for a proper study of agricultural co-operation and would be the best guide in the decision of broad questions of policy, co-operators may well look to the University for the institution of self-contained co-operative courses including not only economics, co-operative theory and history but also co-operative accounts and audit and co-operative law. Only care must be taken so to teach these subjects as to stimulate students to further mental effort and not to burden the memory. It should also be possible to arrange for the apprenticeship of young graduates in co-operation in some of the bigger societies where they may be treated as cadets and taken from section to section for training. Even during the course of their studies enthusiasm for rural work may be kindled by the organisation of university rural service clubs which may take up specific areas in the vicinity for welfare work, emphasising co-operation as a method of economic and social betterment.

UNIVERSITY EXTENSION COURSES

Universities in the West have been providing evening classes for those who desire to improve their knowledge in subjects which are most related to their career or the one which they wish to follow. The Diploma course in Economics, first instituted by the Madras University and followed later by the Rangoon University has sought to satisfy this want. The course has been reorganised in Madras, special attention being paid to rural and social economics, while a study of the elements of economic theory, geography and history and a working knowledge of statistical methods and a piece of practical investigation are all demanded by the would-be diploma holder. It is difficult to devise a broader basis and a better approach to the study of co-operation. The economics diploma was indeed valued in the past in the recruitment to all ranks of co-operative service, though latterly technical diploma has

become the *sine qua non* for entry into service. It would even now be advisable for employees in co-operative service and young office-bearers of societies to take such a liberal course. For those who sneer at the idea of evening courses for men engaged in practical work for fear that university standards will thereby be lowered or the men will not benefit by the course, no more authoritative answer is needed than that of Sir W. Beveridge, the Director of the London School of Economics: "Economics (and politics) are the sciences of men in social action. In relation to them the theory and practice lie together. A complete understanding of them rests at least as much on experience as on academic study and most of all on a combination of both. It is therefore of peculiar importance for the universities to provide courses for those who desire to improve their qualifications or knowledge in particular branches in evenings after work."

ADVANTAGES OF UNIVERSITY TRAINING

There is a passion for the hall-mark of the University by the aspirant for every career, which is by no means peculiar to India. It is justifiable because of the virtues traditionally associated with University training. The University stands for the disinterested pursuit of truth, heedless of political, religious or class bias, for the inculcation of broad culture and the power to judge and sympathise with all noble aspirations and for the thorough discipline of the mind that enables one to rise above the daily task when occasion demands and to plan ahead without the goad of immediate punishment or reward. There is much for teachers and students of co-operation to gain by the humanising life of a University with its variety of individuals and interests. It is no wonder then that leading co-operators in several countries have sought the *imprimatur* of the University on the movement.

OBJECTIONS TO UNIVERSITY TEACHING

There are, however, not wanting co-operative enthusiasts on the one side and educational purists on the other who would object to the University undertaking co-operative training and education. The former urge that the training would be too theoretical, the University by its very nature cannot have that profound faith in co-operation which is quite necessary for successful teaching, while the managers and benefactors (by endowments, etc.) of the University may give it a conservative and capitalistic bent, and may look down on co-operation or at best patronise it as long as it does not grow. This is a needless fear as the capitalist by no means dominates University life in India, as he does in some cases in the United States. Almost all our Universities are

largely State-aided and controlled and the State has been a friend of co-operation. With a more democratic government, the power of the plutocrat is bound to go down. There are educationists who think that it is not the business of a University to provide vocational training, which must be left to technical schools and to the school of experience. But it is a misreading of history to consider Universities as patrons of only humanities and pure sciences. It is a "venerable fallacy" as the history of Universities shows. The University in the Middle Ages began to train men for the ecclesiastical and the teaching professions and later on for law and medicine. It has recently taken up engineering, agriculture, commerce, etc.—all of them 'bread and butter' studies. Only it endeavours to apply the scientific and humanistic spirit to such utilitarian studies. There can be then little objection to our Universities training men and women for co-operative service, especially as co-operation stands for a new type of rural and industrial organisation, aiming at certain ethical standards conspicuously absent in individualistic enterprise.

CO-OPERATIVE COLLEGE AFFILIATED TO UNIVERSITY

If, however, it is deemed to be beyond the province of the University to train all grades of co-operative employees or even to cater for the highest grades in its own teaching departments, there can be little objection to the affiliation of a Co-operative College, to be established and maintained by the co-operative movement itself in every province, to the local University. This would ensure the teaching of co-operation and allied subjects like economic theory, history, rural economics, industrial organisation and statistical methods in as comprehensive and scientific a manner as possible. Teaching of some of the well-established subjects like co-operation, economic theory, history and geography may be entrusted to a permanent staff, while in the case of growing subjects like rural economics, industrial organisation and statistics the teaching may be done by part-time lecturers who are specialists on the subjects. Law and accountancy may likewise be entrusted to practitioners in the field with a capacity for teaching. The valuable experience of eminent co-operators in the movement may be availed of by inviting them to deliver occasional lectures in the college.

CO-OPERATIVE RESEARCH

It is in the field of co-operative research that the Universities can play the greatest part, for it is in research that there is the greatest need for "inward and outward independence, for objectivity, critical thought and scientific methods," while in the practical world "subjectivity, enthusiasm and even partiality" are the factors that make for success. As

has been stated by an authority on co-operative education, W. P. Watkins, "An ideal arrangement would be that under which co-operators conduct their own propaganda and receive from the Universities scientific criticism of their practical achievement." There is indeed an urgent need for the close investigation and dispassionate analysis of the causes of failure or of stagnation of hundreds of co-operative societies organised in the past. This alone would provide a perennial theme for thesis work for higher degrees in economics in our Universities as indeed co-operative problems discussing in detail some points of theory or practice have been quite popular in doctoral dissertations in European, particularly German, and American Universities. The Movement cannot neglect independent research except at peril to its future and it would do well to organise it in co-operation with Universities.

The movement can not only supply mass of data but provide funds needed for the purpose either partly or wholly without stipulating in return for approval of all their activities. The academic research workers on their part need to have in addition to documentary study some personal experience of the movement. University and college teachers in India have several of them shouldered, without remuneration generally or for a modest honorarium, the work of propaganda, of contributing to or editing co-operative journals, and lecturing to students in the Institutes; and some of them have played not a little part in the administration of some of the societies. They might have their bias, but by their nature and training they could not lose their power of introspection and critical enquiry. On the other hand too much of detachment would be a hindrance to proper assessment of facts. As has been said, it is not only accuracy in statement of facts that is needed but judgment is necessary in weighing them, and this is difficult for an altogether detached mind. "Social questions are questions of feeling as well as of intelligence."

The practical world is known to have two views of the Professor : (1) the Professor conforming to one's views is 'the famous scientist' who is quoted as witness in one's own cause on every occasion, and (2) the professor holding a different view is 'an unworldly scholar' with no idea of practical matters.

—Ernst Grunfeld, Halle University.

VILLAGE INDUSTRIES — THEIR IMPLICATIONS

By

DR. J. C. KUMARAPPA,

Organiser and Secretary of the All-India Village Industries' Association.

The very name of the All-India Village Industries' Association bears the dust of village streets and sounds rustic and mundane; but the conception behind the Association is an attempt to tackle the problems that have been created by methods of production introduced since the Industrial Revolution. When machinery entered the field of economic production with steam, oil and electricity to supply the motive power for such machinery, production began to increase. In the past, there was a relation between the number of articles produced and the amount of thought put into the design, devices and the art of production. But this proportion was altered with a single person at the top planning out production. It was possible to produce a hundred fold and a thousand fold; but necessarily the articles produced became more and more uniform and standardised. Indeed, at present, thousands of articles produced are identical. Thus the proportion of originality introduced into production has diminished in the same proportion in which the quantity has increased. Thus if we look at human progress, we would notice that to everyman who uses his talents for the betterment of society, we have thousands of others wasting away their capacity to do original work in turning out stereotyped articles. If we believe that every human being that is brought into this world has some little contribution to make towards the advancement of the race, we can easily grant that under machine production, every individual has not been given a chance to make his contribution. To this extent we are poorer.

The one great system of economic production evolved under the ægis of the machine is the Capitalistic System, under which production is directed by the profit motive regardless of human values in the commodities produced. Large-scale production has tended towards overproduction and glut in the market. The situation has led the producer to attempt to control the market and retain it. To this end all national resources have been martialled and this has resulted in competitive armaments and violence.

To avoid these evils, Soviet Russia has attempted to banish the profit motive and socialise the direction, but it has retained the form of cen-

tralised production under planned economy. To keep to the plan, it has been necessary to resort to violence; and also foreign nations have been watching for an opportunity to convert socialistic production into capitalistic production as the methods are the same in both; namely centralised production, plan and control. This in its turn has also made it necessary for self-defence to increase armaments.

It has been felt that if we have to obtain the best out of a person and get rid of the evils of capitalistic production, and be able to distribute the profits of labour amongst the producers equitably, we have to decentralise production and control. Such decentralisation will limit production within such bounds as will not be necessary to seek out and forcibly hold markets and in so doing, it will minimise the cause which at present leads to violence amongst nations.

Although production generally has to be decentralised, there are many functions in society which have to be performed in a centralised fashion; and this can be done very profitably and efficiently co-operatively. Co-operative Societies can help in relieving artisans who are held under bondage by loans from middlemen and capitalists. They can also help in finding markets through their co-operative stores for village production. Apart from these, there are several functions in which they can take part, but in the case of these two, they will be directly furthering the object of this Association and helping us to achieve our end.

THE VILLAGE INDUSTRIES OF ANDHRADESA

By

DR. B. PATTABHI SEETHARAMIAH, B.A., M.B.B.S.

Masulipatam.

It is some time since the Village Industries' Association was contemplated by the Indian National Congress in Bombay. Perhaps it is too soon to expect the Association to be able to present an attractive report which can serve as a guide in their activities in different places. But we can do this much, namely, the visualization of the work that it may lie within the province of each one of us so as to enable the villages of India to become a little more prosperous and little more happy than they have been hitherto. The great misfortune that has overtaken the villages in the past hundred years is that their industries have been destroyed, by the competition of imported articles from the Western countries which are cheaper and more attractive.

The greatest tragedy really is that even if some of the craftsmen of old are adhering to their traditional crafts and arts, the instruments that they are now employing for the purpose of their professions are all imported. Take the goldsmith or the carpenter, the hammer and the chisel, the plane and borer—all these were being made formerly by the village-smith; and so were the razors and the scissors, the nail-parers and the razor sharpeners all articles of local make. To-day from the bleaching powder of the dhobi to colours of the dyer, all things are imported. We are apt to think that the brass vessels pressed into form locally are indigenous. They are not. The brass sheets are all imported. So are the sheets of copper and iron. So is the flat iron, T-iron and the angle iron. So are the nails. We are not here enumerating the hundred and one articles imported which are in daily use in our homes. We are trying to make out that the tools and instruments relating to the crafts which were once made locally are now replaced by foreign stuff. The very ore was obtained in the neighbourhood of the villages and smelted. The metal so obtained was shaped, tempered, and subjected to various processes and assumed various forms. Copper was made out of copper ore and iron out of iron ore. That is why some of these industries have developed in particular centres adjoining hilly tracts, which were the seats of the ores. That geological knowledge is gone. That engineering skill has disappeared. The craftsman's art is almost perishing. The composition of plaster and cement and paints in the ruined palaces of

old in Humpi or in Ajanta is a mystery to-day. Pieces of plaster have been analysed. Paints from Ajanta have been scraped and examined. Even the stones of the shaking towers of Ahamadabad have been numbered, removed and replaced to discover the secrets of the tremour, that the towers display on the impact of the smallest force applied to either. The great mystery is the sympathetic tremour of one tower when the other is thumped. The modern engineering experiment to divine the secret of the phenomenon has resulted in the tower so dealt with losing its tremour. The fact is that the village people of old had a fund of scientific knowledge crystalized into formulæ, into long tradition and handed down from generation to generation. All this must be rediscovered. There may not be use for the engineering secrets that lie behind the towers of Ahamadabad or the bridge at Srirangapatam or the air stream in the Tanjore palace. But the cunning that got the ore and the metal and the malgam and the vessel will undoubtedly provide work for the villager and give him more food and better food. The spectacle-trade may be revived. We were once making our own spectacles. Likewise, a host of industries which are dead or dying can be resuscitated, such as paper, brushes, tools, cloths and so on.

Sometime ago, that is in 1926-27 when Mr. Ranganatha Mudaliar was a Minister, he got the Government to appoint a Deputy Collector to make a survey of the cottage industries in the Presidency of Madras, district by district. We give below a summary of the industries relating to the Telugu districts of the presidency: The cottage industries that are met with in the Andhra province are of various kinds, some of which are really flourishing and have been so from time immemorial. The cotton carpets which almost every home possesses, the mats which are universal, the tapes that people use for their cots, waist strings (Izar-band) which men have to use, the camblies which every field-ryot carries with him, the brass and the copper vessels and the baskets found in every home, the coir industry of the ropes which are used by boatmen, bandymen and the agriculturists, leaf-plaiting, the traps for catching fish that the villagers make with the rootlets of palmyrah stump, the palmyrah-umbrellas the rain protectors that are made of reed, the coconut leaf hats, used in the Ganjam District and in Malabar and in the Uriya Province for protecting people against sun and rain, country tanning of skins, and the ordinary pottery for domestic use, the wooden clogs for feet, the locks, nails, hinges, bolts and other articles of the smithy such as sickles for harvesting, and knives of various sorts, articles made of fibre, fishing nets—these and numerous other industries are the natural products of village labour long in vogue and perhaps require no special attention but only a little encouragement and adoption by us wherever possible by way of example; for instance the palmyrah

umbrellas and the reed, overcoat-like, rain protectors may be brought into greater use by the townsmen and put greater money into the hands of the villagers. The manufactures of our smiths require encouragement and attention because they are beaten out of the market by imported goods such as wire-nails, chains, bars, bolts, hinges, locks and so on.

The leather industry, of course, requires both study and attention because the fashion of the people has to be changed there. Incidentally, I may mention that even when Khaddar is used there is a tendency amongst people to make Khaddar into dresses of foreign pattern answering outlandish fashions and tastes—I refer to the varieties: frocks, blouses, gowns, overcoats, bows, ties, collars, sailor knots and suits and hats so much in use. All these are being manufactured and sold in our own shops. These will have to be changed, though for the time being they have been allowed to come into existence and even to spread on. I have often seen a man clad in Khaddar cap-a-pie but wearing soft rubber shoes and caused him a shock when I gently asked for his shoes and on examining them pointed out the label somewhere on them “Made in Japan.” So in respect of some of these industries it is the taste that has to be re-educated. I have enumerated the industries of domestic use.

To the next category belong the artistic industries some of which border on luxuries. Toys, most beautiful and variegated in colour, lace and silk, fancy articles made in ivory or horn and silver such as models of birds and animals, caskets, boxes, snuff boxes, tea trays, walking sticks, rulers, paper cutters and so on; musical instruments such as Veena, Citar, Tambur; perfumes such as attars, scented sticks and glass beads and lapidaries. Then again we have the marble industry and lacquer work, embroidery, crochet knitting, carpets made of wool costing Rs. 30 a square yard and hosiery and dolls made of clay and coloured. These are purely artistic but they give money and livelihood to the village craftsmen. They are the index of the civilization of the country and are as various in form, design and execution as the human mind can conceive and the human hand can execute. They are not all dead or dying but they are being beaten out of the market by Japanese articles and English ones. We have to-day Czecho-slovakian combs, Italian marbles, German and Japanese scents, gramophones and the radio and various other competitors.

To the third category belong industries such as mica splitting, manufacture of oils including Eucalyptus and fish oil which are more or less either of a collateral nature or of the nature of raw products or food materials used in the country or exported abroad. Speaking of oils

there is a kind of oil which the villagers, especially the Harijans, make by expressing it from seeds of small plants that sprout up soon after the harvest in the fields as a wild growth; this oil used to be employed for lighting the houses until kerosene oil has invaded every cottage.

Under the fourth category there are certain industries which we need not pay particular attention to, because of the sentiment involved in the matter; such as tobacco and beedi manufacture, manufacture of snuff, poultry-breeding, salt fish industry and so on. The bee industry and honey-making comes on the border land between this category and the category of industries such as dairy farming. Few people are aware that honey is imported from America and other places and fashionable people go in for such honey, little knowing that the kinds available in the country are as varied as the flowers and the aromas in which the country abounds.

The fifth category comprises the manufacture of palmyrah jaggery from sweet toddy which is drawn according to certain rules under which the pots are coated on the inside with lime and no tax is levied on the tapping. This palmyrah jaggery is partly used for medicinal and partly for food purposes for cattle but largely serves as the raw material for sugar. There is of course the industry of our ordinary jaggery (gur) made from cane-sugar capable of being used by itself or as raw material for certain type of country refined sugar. The industry of bangles is a dead or dying industry. It is almost beaten out of existence by the foreign bangles imported from Austria and so is the paper industry of which we have a few traces left still in some of the outlying villages.

The making of gunny bags is an industry by itself largely of the nomadic tribes and one will be surprised to learn that sometimes you cannot tell the age of a bag belonging to this type, for like the fishermen's fishing net this gunny bag which is called the “Lambadi Bag” after the name of the nomadic tribes that make them is perhaps a quarter of a century old or even older than that. For where it has given way it is patched up at once and bears weight almost to an incredible degree. The razor industry and the slate industry are other examples of the dead or dying industries which must be revived by our efforts. We have left out spinning and weaving and printing and dyeing as they have already had our special attention. In this description, we have confined ourselves exclusively to the Telugu country.

We must invite people's attention to the need for using the things made in the villages round about rather than go in for articles imported from abroad though they are not altogether foreign. The theory of life being a series of concentric circles in which affections radiate from the

centre to the ever-widening spheres of the village, the district, the province and the country, is easily understood by people if only their attention is drawn to it. We believe that just as we are enlisting members of the "Buy Indian League" or a "Purity League", we must enlist members of Village Industries' Association who pay no subscription but who must pledge themselves to the use of articles of indigenous manufacture consistently with the khaddar mentality and khaddar outlook which we speak of so often, so that the word "Khaddar" is no longer the name of a particular article but becomes a collective noun indicating the class of things analogous in origin to the khaddar cloth.

When we speak of the revival of the village industries and begin to expound such small things as the pounding of rice or the grinding of flour or the pressing of oil or the preparing of jaggery, the programme looks a trivial one, almost a silly one. But when you analyse the implications of each of these, it will not be difficult to understand what a ray of happiness, even these are bound to secure to the darkened homes of our poor villages. Let us take the rice-pounding industry. One bag of paddy, let us say, requires three women to pound it working from 8 a.m., to 2 p.m. They earn each a seer of rice and an anna and a quarter with which each of the house-wives is able to provide food for herself, her husband, and her two children. Thus will the three women be able to maintain 12 souls for one bag of paddy pounded. A good rice mill is able to pound 600 bags of paddy and takes away the living of $600 \times 12 = 7200$ souls and instead maintains 50 men or $50 \times 4 = 200$ souls. What happens to the food of the remaining 7000 souls? It goes partly into the pocket of the proprietor of the mill, but largely towards the cost of petrol, mobil oil, engine parts, emery stones, piston rings and various other tools and parts of machinery mostly imported from abroad. A bag of paddy yields rice which is sufficient in quantity to feed 200 stomachs. That is to say, the wages of producing rice that will feed 200 stomachs maintains 12 souls. That is one-sixteenth of the number. In other words, if 200 people make a point of eating only pounded rice, they maintain one-sixteenth of their number by the wages required for preparing the pounded rice. Just apply this to the population of India and you will see that if the 32 crores use pounded rice, this industry alone will find employment for two crores of the population. That is rather a big result. Isn't it? What the country therefore requires to-day is a conscious life led in a conscious manner every moment.

The village and its perishing wealth of industries was not neglected by our Indian politicians. So early as in 1898, Pandit Madan Mohan Malaviya proposed at the Congress of the year that Government ought to foster native industries and native arts. People had recognised

even earlier (1891) that the forest laws imposed severe hardships on the villagers and revolutionized village society, leading to the destruction of village crafts and the death of village cattle. It will be really interesting to turn up the old pages of congress history and see how the public men of those days had a shrewd insight into the rapidly increasing degeneration of the village life of the country. Lala Maralidhar, speaking in Urdu at the Nagpore congress in 1894, made a fervent appeal to the audience and said: "You, it seems, are content to join with these . . . in fattening on the hearts' blood of your brethren. (Cries of no, no.) I say yes. Look round, what are all these chandaliers and lamps, and European-made chairs and tables and smart clothes and hats and English coats, bonnets and frocks and silver-mounted canes and all the luxurious fitting of your houses—but trophies of India's misery, mementoes of India's starvation! Every rupee you have spent upon European-made articles is a rupee which you have robbed of your poorer brethren, honest handicraftsmen who can now no longer earn a living." Pandit Madan Mohan Malaviya made a characteristic speech in 1893 at the Ninth Congress as follows:—"Where are your weavers, where are those men who lived by different industries and manufactures and where are the manufactures which we sent to England and other European countries in very large quantities year after year? All that has become a thing of the past. Every one sitting here is clothed of cloth of British make" All that is left to the people is to drag out a miserable existence by agriculture. The importance of this subject was evidently recognised when a great man like Sir Subramania Iyer emphasised in 1914, after his retirement from the bench, village resuscitation in his address to the Congress. It was left to the Bombay Congress in the year 1934 to give an All-India outlook and importance to this question of village industries and the grim determination of the Congress to carry out its programme was appropriately recognised by the Government of India when they generously voted a crore and fourteen lakhs for the same purpose. Government requires money to work its programme—the Congress starts the work with no capital!

Man is a skill-hungry animal, hungry for skill in his body, hungry for skill in his mind and never satisfied until that skill-hunger is appeased Till his happiness begins to well up from within through this self-active, creative life, man is living on a starvation diet; he is devitalised; he is in a low condition; he is wanting in mind and body
—L. P. Jacks.

THE CONCEPT OF CO-OPERATION THROUGH CHANGING TIMES

By

MR. G. HARISARVOTHAMA RAO, M. A.

Co-operation has been variously defined and interpreted by various authorities. It is true that "Co-operation," in its technical sense, started as a protest against "Capitalism." It was a few humble workers of Rochdale who, in the words of the late Professor Charles Gide of the University of Paris, "simply lived, laboured and suffered with no other teaching than is derived from manual labour, the thought of our daily bread and an unshakable faith in the advent of justice," that laid the foundations for a movement which to-day claims world-wide allegiance. Was it a protest, a revolt or rebellion? Though ultimately expressed in the simplest form of a business concern, it was in fact the suppressed feeling of rebellion against the existing arrangement of life, that prompted these men to act. As just a few individuals living as mere atoms in an ocean of humanity otherwise minded, they could only give shape to that rebellion in the most limited and the most acceptable institution. If a strictly technical interpretation of the Rochdale Store were attempted it would look almost the most common place idea for any time. However, the human emotion within did not stop there. Gradually it gave "co-operation" a social importance of a very wide character and an economic importance of a much wider significance. The co-operator actually came forward with the claim that he was out to establish a new order of society and ultimately he has dreamt of a co-operative commonwealth of the world. But as Mr. Ramadas Pantulu, India's representative at the London International Co-operative Congress of 1934, put it, for the time being "the ideal of a co-operative commonwealth which, in the past, evoked great enthusiasm and raised large expectation in the ranks of co-operators" does appear to have receded somewhat into the background. That is exactly why its ideology should be carefully studied from time to time and presented so as to keep its best potentialities before the eyes of the world.

The principle of co-operation is as old as the hills, in fact as old as the first human relationship. Ever since man conceived the idea of social existence the question of co-operation has received attention. Society being an aggregate of individuals a certain amount of conflict has always existed and will always exist between the individual and the ag-

gregate. This has tended sometimes to subserve the interests of the individual, at other times to subserve the interests of society. The one task of all reformers acclaimed to be the saviours of humanity has always been, in essence, to adjust this relationship.

From times immemorial the conflicting claims between the individual and society did engage earnest thought. Religion tried to ease the position by teaching "co-operation" through means essentially ethical and metaphysical, and by holding out a better state of existence in another world for those who lived in peace and harmony with their neighbours in accordance with the precept and practice of Religion. It always discounted and discouraged force, though it sometimes used the very instrument it condemned.

Modern co-operation which is a secular movement has taken up an International programme. If with its maxims of "each for all and all for each" international co-operation could control the life of mankind all through the line, it could easily have been asserted that co-operation was well on the way to establish peace for the world. Unfortunately with the co-operators of the world these maxims are generally restricted to aspects concerning notions of "profit" or the operations of the "society" of which they are members or at the best to the genus of society membership within the territorial limits of their own country. Internal conflict among different sections of co-operation has not been eliminated. The producers' societies of England cannot actively put co-operative maxims into operation in relation to the consumers' societies and vice-versa. Not only that. As Mr. Ramadas Pantulu observed, "the cult of economic nationalism and of a planned economy of its own for each nation has made serious inroads on the faith of co-operators." Co-operation has not fully succeeded in shaking off the effects of capitalism. Under capitalism the producer, the consumer, the Governments concerned, the different other agencies that contribute to the creation and distribution of goods including the Railway and steamship companies, the exchange banks, the middlemen, and the labourer, that is in fact, the ultimate producer of all utilities, are essentially competing elements between themselves to get the most out of the transaction of life. They are no doubt required to co-operate with one another and they do co-operate but it is forced co-operation not for the well-being of the whole, but for the aggrandisement of the individual. It is the very marginal co-operation without which life's business cannot exist. The rest of it is all competition. In other words, the individuals concerned in the whole transaction are laying the greatest emphasis on the privileges pertaining to each, not on the responsibilities that each owes to the sum total of life. It is to be feared that the movement of co-operation

has not been able to command an idealism sufficiently strong to escape this emphasis on privilege. Copying its notions of life from a capitalistic world and deriving its business interests also from that world, co-operation has always held out the individual privilege of deriving profit as the ultimate end, no doubt with a protest that it is all in terms of equality as the ideal in the background. "Business" is as much its theme as that of capitalism, it may be with emphasis on different aspects of it. It therefore happens that nowhere in the history of co-operation is anything said so much as to disturb even apparently so-called business relationships. Co-operative friends will note that at the last International Co-operative Conference in London their world representatives passed an Economic Programme. The seventh item on that programme runs as follows:—

"The International Co-operative Alliance, which is an association of national co-operative organisations mutually independent and autonomous in their relation to the Alliance, seeks to assist the member organisations, *each in its own country*, in their endeavours to raise the national standard of living and to promote the sound development of national economic life."

If you look at this resolution as "business" under conditions now existing, probably, it is unexceptionable, more especially when it is coupled with two other resolutions one declaring indissoluble attachment to the cause of peace and disarmament and the other stating that the economic policy of the co-operative movement is based on the principle that the common interests of the consumers and producers in all countries form the most secure foundation for a new economic and social order and one of the surest guarantees for the future peace of the world.

These resolutions leave many things unsaid. "Standard of living" is an undefined expression. "Sound development of national economic life" is till further undefined. "Each in its own country" is a much greater danger. Is or is not "Co-operation" in the minds of co-operators themselves a universal movement? Has or has it not a message to give to mankind for a better state of Society? What is that message? In the light of that message what have co-operators to say on current problems of the world? International co-operators meeting in London have not attempted to grapple with the situation that has to-day asserted itself in life. Though Mr. Ramadas Pantulu at the Conference put it plainly and said "there is no reason why we should not meet with a similar sense of identity in international interests in political and other concerns of life," the Congress did not make up its mind to say anything definite

on the serious issues arising out of life's tangle. It means that Imperialism and capitalism have still their hold on co-operators. Even in the economic sphere from the resolution quoted above, the Congress practically appeared to endorse the verily various contrary and conflicting ideals and policies adopted in the different dominating countries of the world. Life is a composite whole and no movement, however great, can afford to take hold of the world's life and transform it, if it declines to deal with life's problems as a whole. Co-operation which claims to create a society in which 'each' stands for 'all' and 'all' stand for 'each' can least afford so to neglect. Even in the economic sphere, co-operation must lose ground, as one may fear it is already losing to judge from events that are happening in this country, and ultimately fail of its objective in case it does not boldly go forward and formulate policies for life universal.

The time has come for "co-operation to realise that it is no longer a movement limited to one department of life." With expanding conceptions of human emancipation from aggressive competitive life which, in its turn, is the result of multiplication of wants and onrush of unhealthy desires, the Co-operative Movement must revise its ideology and act with vigour in its pursuit or go under. Discovering the conflict that exists between an undue claim of man's privilege backed by the State and the well being of society as a whole, the West happily stumbled into the Co-operative Solution. If that essential nature of the Movement is not fully borne in mind and worked up all along the line, the movement itself runs very grave danger of being enveloped by the enemy it proposed to fight. The co-operative movement must resist the temptation of considering itself mere business. Its present day definition should make it absolutely clear that the movement stands for such simplification of life as would reduce the competition to an irreducible minimum so that the conditions of equality contemplated may be truly reached and that the concept of combined social group action by mutual sacrifice is the only bed-rock on which peace is possible. The world is in truth groping towards this idealism. The many suggestions that are daily being made for prevention of war and for the emancipation of the world from the depression into which it has fallen all contain a germ of this idealism; but it is merely a germ. The clearness of conception or the boldness of attitude can never be looked for in these matters, from nations that raised the high sounding shibboleths of self-determination and self-sufficiency during the Great War and have already forgotten them.

The only hope for the West exists in the protagonists of the co-operative movement. They have only to open their eyes and exa-

mine realities, taking for a time a flight away from the conventionalities of their own lives. It is here that India offers to the West the most splendid assistance it could ever get. Gandhian politics, economics and even spiritualism, the Gandhian philosophy of life with its emphasis on simplicity, truth and non-violence, is a very great asset for the world's thinkers. This is neither the place nor the opportunity to enter into details or expatiate upon that philosophy. Attention may, however, be drawn to one fundamental fact. India is a country with 350 millions of mankind, no longer isolated, but in full contact with the times and the world. Gandhiji is the most brilliant product thereof. He is not and cannot be a mere freak of nature as he has held the attention of the world for at least fifteen years. He is, in a great measure, the expression of the human heart of the present generation. May it not be that the co-operator who stands for peace—by inference therefrom for non-violence and for equality between man and man—may it not be that he can derive more of his ideology from the Gandhian stores than from the overlaid stores of a too materialistic and capitalistic and often chauvinistic West. India has this gift to offer to the world outside. Peace for the world is a mere dream without (1) an overwhelming emphasis on non-violence in thought, word and deed, if not an abiding faith in it; (2) a thorough examination of the true and maximum material wants of man for universal adoption in lives of men; (3) an overhauling of mechanised production and currency, exchange and tariff systems to suit such examination; (4) a cultivation of the willing spirit of sacrifice in the better placed in life to accommodate the less favourably situated, and (5) a practical abolition of geographical boundaries for the movement of men for producing the necessities of life and not for the exploitation of the weak by the stronger.

Does 'Co-operation' as a movement possess the grit to advocate a world polity based upon some such principles? It will be noted that no dogma is attempted to be laid down in this article. Mere indication of principles is made and what all is insisted on is that the maxim "each for all and all for each" should be taken up in all earnestness by the co-operative world and without any bias for the world's conventionalities or prejudices applied completely in all details of life and a new all round state of society worked for taking advantage fully of the seeds of growth visible even in the soil of decay. If thought should be provoked in this direction, the objective of this article would have been served.

Man has been more successful in learning to control his environment than in learning to control his social relationships; in learning to co-operate with wind and water than in learning to co-operate with his fellow-men.

—Hammond.

REVIEWS

AGRICULTURAL CO-OPERATION IN FASCIST ITALY: By Freppel Cotta.
(Published by P. S. King & Son, 7s. 6d.)

Mr. Freppel Cotta's well documented account of agricultural co-operation in Fascist Italy is a useful and interesting publication. The revival of agriculture is an outstanding fact of world economy to-day, and according to Mr. Cotta, the most important of the causes that account for this revival are the growing economic nationalism, the breakdown of unbridled industrialism and capitalism and the increasing realisation, after the Great War, of the importance of agriculture in nation-building programme, and he endeavours to show how all these causes have reacted on the development of Agricultural Co-operation in Italy. A study of the methods by which the State and the co-operative organisations in Europe are helping agricultural revival is, therefore, bound to be both useful and interesting to students of co-operation in India. Mr. Cotta is an Indian student from Goa who studied co-operation first in the Manchester College and then at Horace Plunkett Foundation, choosing Italian Co-operation for his special field of research. He followed up his research work in England and Ireland by a visit to Italy where he collected a mass of first-hand information on the working of Italian co-operative organisations. This book is the result of that study and research and bears ample evidence of the industry and powers of observation of the author. It contains a great deal of accurate information concerning legislation governing co-operation in Italy and the constitution, rules and operations of a large variety of Italian productive associations. The several chapters of the book are devoted to a careful description of the entire structure of the organisation of agricultural co-operation, as at present constituted in Italy, from the primaries right up to the *Ente Nazionale Fascista della Cooperazione* (Fascist National Organism of Co-operation). The author is evidently struck with the efficient organisation of the Movement in Italy, with the *Ente Nazionale* at its head, and he seems to have been also convinced that the political dictatorship in Fascist Italy has not taken away from the Italian Movement the orthodox attributes of co-operation, namely, free initiative and democratic control.

Mr. Cotta has come in for some severe criticism at the hands of Mr. H. J. May, General Secretary of the International Co-operative Alliance, especially in regard to observations relating to overlapping and

waste in the Consumers' Movement in Britain.* Mr. May asks: "What perverse instinct for example, could have led him (Mr. Cotta) to devote the opening paragraph of Chapter I to an exposition of what he regards as the overlapping of Consumers' Societies in Manchester?" We must say that this criticism is somewhat harsh. Mr. Cotta is not the first student of co-operation who comments on overlapping in British Consumers' Movement. We learn from others besides Mr. Cotta that it is sometimes a topic of discussion in the Manchester College itself with a view to reform the Movement. *The Co-operative News* of Manchester publishes news of amalgamations, of transfers of engagements, of proposals for the formation of a national company for the laying down of fixed prices and for the co-ordination and unification of the Movement, clearly indicating thereby that there is a section of co-operative opinion even in England which advocates the consolidation of the British Consumers' Movement by eliminating overlapping and waste. From the way in which Mr. Cotta gives his account of the functions of the Italian *Ente*, we may presume that he is inclined to favour the modification of the constitution of the British Co-operative Union by giving it effective powers like those enjoyed by the Italian *Ente*, instead of the simple advisory powers which it now enjoys.

Mr. Cotta's view that Italian agricultural co-operation, by its incorporation in the corporative organisation under Fascist regime, has not lost its freedom of initiative or democratic control has also come in for strong criticism at the hands of the Secretary of the International Co-operative Alliance who says that Mr. Cotta seems to have been carried away "by the charm of his surroundings to give a certificate of orthodoxy to Italian Co-operation, which neither the facts he presents nor the arguments he employs would support." How far Mr. Cotta's facts and arguments support his conclusions, it seems to us, is largely a matter of opinion, which varies with the colour of the critic's political training and convictions. Mr. C. R. Fay, Chairman of the Horace Plunkett Foundation who wrote the "preface" to the book no doubt makes an express reservation to the effect that his recommendation of the book on its merits does not in any way carry with it the endorsement of political dictatorship. This reservation does not carry with it any necessary implication that Mr. Cotta's conclusions are wrong. The survey of Italian Co-operation by Mr. Karl Walter of the Horace Plunkett Foundation in his "Co-operation in Changing Italy" (1934) seems to corroborate Mr. Cotta's conclusions rather than controvert them (*Vide* chapter XI of the book). Prof. Dr. Vincenzo Giuffrida, in his more recent book, *The*

Fascist Corporate State and Co-operation, expresses the view that the ideological and practical attitude of Fascism towards co-operation has not been one of hostility or misunderstanding. Mr. Cotta's conclusion seems to derive some positive support from this new book as well. In our recent visit to Italy, we noticed that the feeling of the leading Italian co-operators was that the authorities of the I.C.A. were labouring under a misapprehension about the real state of the Movement in Italy and that accounts partly for Italy keeping out of the I.C.A.

Mr. Cotta's book is written in simple and lucid style and will make a good text-book for students of Rural Economics in general and of agricultural co-operation in particular. It makes much useful information about Italian Co-operation available in English to those who cannot have recourse to original Italian sources. We heartily commend it to students of co-operation in India.

EDITOR.

CO-OPERATION: *A Survey of the History, Principles and Organisation of the Co-operative Movement in Great Britain and Ireland.*
By F. Hall and W. P. Watkins. Published by the Co-operative Union Ltd., Holyoake House, Manchester 4, 1934. Price 7s. 6d.

The Co-operative Movement in Great Britain and Ireland has given rise to a good deal of literature but there is still room for a concise and a comprehensive survey of its history, principles and organisation. The book under review fulfils this long felt want. It has been prepared to meet the needs of the students 'whose course of study require them to have a knowledge of the Co-operative Movement.' "But," as stated in the Preface, "it should be found useful, also, by the large number of thoughtful citizens who desire a knowledge of a Movement which is playing a growing and important part in the social and economic life of the country."

The remarks of the authors in the last chapter "Conclusion" are interesting.

PROGRESS OF THE MOVEMENT

"Measured statistically, the progress of the Movement has been astounding. That progress has been steady and continuous rather than spectacular; but, like the oak tree whose annual growth is scarcely noticeable, growth has brought sturdiness, and that growth continues."

CO-OPERATIVE MOVEMENT IN THE MODERN WORLD

"To-day, the Movement operates in an environment very different from that in which it first operated. It was at first a social experiment

* *Vide* page 38 of the Review of International Co-operation for January 1935.

unnoticed by all but a few. Difficulties and opposition it certainly had to face ; but they were largely internal difficulties that could be overcome by the loyalty of its members. Shopkeepers who felt the competition of local societies might oppose it ; but big business and the financial world had little to say against it ; they knew little or nothing of it. To-day, when its membership represents more than one-half of Great Britain's population, whose purchases from its shops represent at least 15 per cent. of the country's retail trade in some commodities, and a larger percentage in others, when its purchases in the world's markets make an appreciable difference to price levels, and its use of certain raw materials interferes with monopoly control by private interests, large-scale business and the world of finance as well as the retail trader take notice of it, and range themselves in opposition to it.

Sooner or later, the struggle between the Co-operative Movement seeking to expand, and capitalistic enterprise affected on the one hand by the growth of the Movement, and on the other by the slower growth of population limiting its market, is bound to become more acute. When that more acute stage is reached, the Movement cannot fail if its members are loyal to the principles for which the Movement stands. But much will depend upon the quality of the membership, and particularly that of the leaders of the Movement. The movement has great ideals, and these ideals play a part in securing the economic success of the Movement ; but they are not a substitute for business efficiency nor do they clash with it. Given business efficiency and an understanding and loyal membership, the future can be faced without misgivings. But it is necessary that attention be paid to increasing both loyalty and efficiency. This necessitates the paying of even more attention to education than it has hitherto received, and before it is too late. The efficiency of the Movement's educational work must likewise be increased ; large developments are called for and greater financial resources are needed for the full accomplishment of the Movement's educational tasks ; but even if viewed as an insurance premium for ensuring the Movement's future as an economic organisation the cost would be justified."

BASHIR.

"*Educational Programme*" of the Co-operative Union Ltd., Manchester, Session 1934-35. [Co-operative Union Ltd., and Co-operative Wholesale Society, Ltd. Price 9d.]

This book contains syllabuses of instruction ; Examination Dates and Conditions ; Particulars of Diplomas and Certificates, Prizes and Scholarships, and Correspondence Tuition ; Co-operative College Prospects ; and other information relating to educational work of the Co-operative Union, Manchester and the Joint Committee on Technical Education for the Session of 1934-35. The Government of India has set apart a decent amount of money for the training of the staff and members of co-operative societies ; therefore schemes of Co-operative education are now engaging the attention of Co-operators all over the country. This book will prove useful to all those who are interested in improving the knowledge of the staff and members of co-operative societies.

BASHIR.

Report of the Proceedings of the Fourteenth Congress of the International Co-operative Alliance at London. Price 6 shillings.

The Fourteenth International Co-operative Congress was held in London from 4th to 7th September, 1934. It was of special importance to India because it was the first time in the history of the Co-operative Movement in this country that a representative was sent to attend this World Conference. Mr. V. Ramdas Pantulu went as a delegate of India on behalf of the All-India Co-operative Institutes' Association. He took a prominent part in the proceedings of this Congress, which is evident from his unanimous election to the Central Committee of the International Co-operative Alliance, London and from his speech reproduced on pages 248-250 of the Report under reference.

The book contains exhaustive proceedings of the Congress. The Addresses of Welcome delivered by the President of the British Co-operative Union, the British Minister of Labour and the Chairman of the London County Council are full of useful suggestions. The Report of the Central Committee on the work of the I.C.A., 1930-33, followed by a keen discussion, forms interesting reading. The Report of the Special Committee on the present application of the Rochdale Principles, throws new light on this important topic. The Special Congress paper "The role of International Co-operation in present-day economic development" is contributed by Albin Johansson (Sweden).

The book has a number of Appendices dealing with International Co-operative Trading, Banking, Assurance and Women's Guild. These appendices have enhanced the utility of this book.

The Report is ably edited and deserves a careful study by every Co-operator in this country.

BASHIR.

"THE DEVELOPMENT OF CO-OPERATIVE MOVEMENT IN JAPAN": [Published by Sangiōkumiai Chūōkai—(Central Union of Co-operative Societies in Japan)—Tokyo, 1934.]

The Co-operative Movement of Japan has given rise to a considerable literature but almost all of it is in Japanese language and therefore not of any use to those who do not understand this language. There is a paucity of books on Co-operation in Japan in English. Therefore the Central Union of Co-operative Societies in Japan is to be thanked for bringing out an interesting pamphlet in English on 'The Development of Co-operative Movement in Japan.' It contains an illuminating account of the origin and development of Co-operative Societies, legislation concerning Co-operative Societies, and the progress of Co-operation from 1900 to 1933. Then follows a description of the various forms of co-operative societies existing in Japan. The last chapter contains 'The Five-Year Plan for the Development of Co-operative Movement.' The statistics given in the book enhances its utility. It can be had gratis from the Union on application.

BASHIR.

WORKING OF CO-OPERATIVE SOCIETIES IN INDIA

BIHAR AND ORISSA

Review by the Government of Bihar and Orissa of the Report of the Registrar of Co-operative Societies for 1933.

95 new societies were registered during the year against 81 in the previous year. The total number of working societies was reduced from 9,054 to 8,901 owing to the weeding out of bad and hopeless societies. It is, however, a matter for regret that in spite of the liquidation of bad societies, the classification of the remaining societies recorded a further deterioration, the percentage of bad and hopeless societies being greater than before. The stress laid on consolidation and cautious finance during the last few years is said to have had the untoward consequence of starving good societies and honest members with consequent danger of stagnation to the whole movement. It is true that fresh finance is required to a certain extent for current requirements and to liquefy frozen assets, but one should not lose sight of the fact that some time or other the money must be repaid and that the amounts borrowed already exceed in many cases the repaying capacity of members which has been reduced as a result of the fall in prices and it is relevant in this connection to note that the overdues of principal have mounted up from Rs. 104 lakhs to Rs. 121 lakhs and, what is worse, overdues of interest have gone up from Rs. 34 lakhs to Rs. 42 lakhs.

The percentage of collections of central banks reached the lowest level on record of 6.6 per cent. Only one bank achieved a percentage of collection of over 50 per cent., while twenty-seven banks collected between 5 per cent. to 10 per cent. and twenty-three other banks attained a percentage of below 5 per cent. Leaving aside principal, the collection of interest amounted to Rs. 12.62 lakhs out of total dues of Rs. 31 lakhs. The expedient adopted by many central banks of placing the collection staff on a subsistence basis does not yet appear to have produced any appreciable result. The Registrar has drawn attention to a number of malpractices and commented on the absence of adequate drive and energy in the directorate. Government hope that his comments and the examples of successful collections which he has quoted will be taken to heart by all the directors of central banks who must realise that the present state of affairs cannot continue. The profit and loss statement shows that the total calculated profit for 1933 for all central banks amounts to Rs. 19.77 lakhs while the total calculated loss amounts to Rs. 19.02 lakhs. Actual recoveries against calculated profit amount to Rs. 1.76 lakhs while actual disbursements on account of estimated loss amount to Rs. 10.17 lakhs including cost of management which alone was responsible for Rs. 5.52 lakhs. Unless the cost of management is reduced below the amount of profit actually realised, it must be said that the banks are living on their capital. The dangers inherent in this unsatisfactory position need hardly be stressed.

It is refreshing to turn to the affairs of the Provincial Bank which recorded another satisfactory year's working. A policy of caution was rightly followed and the reserves have been considerably strengthened. There was a steady flow of deposits in spite of reductions in the rates of interest, which were the lowest on record since the inception of the bank. Repayments by central banks, however, amounted to

Rs. 3.85 lakhs on account of principal and Rs. 1.54 lakhs on account of interest against total demands of Rs. 26.18 lakhs and Rs. 3.87 lakhs respectively. The accumulation of overdues is a cause for serious anxiety; but Government have since agreed to give a long-term loan of Rs. 16 lakhs to the bank this year and they hope that this will enable the bank to extend *kists* where necessary and make somewhat easier the question of overdues: but the only real solution lies in the punctual repayment of dues by the central banks.

Government view with regret the affairs of the Federation which failed to collect Rs. 1.74 lakhs of its dues. The Federation actually received during the year a sum of Rs. 2.33 lakhs including the Government subsidy, and spent Rs. 2.87 lakhs by borrowing money from the Provincial Bank. It is understood that some retrenchment has since been effected but it cannot be too strongly impressed on the Federation that it must cut its coat according to the cloth. It is, however, satisfactory to note the efforts made by the Federation to give effect to the recommendations of the Committee on Co-operation particularly as regards the training of development and bank supervisors.

The number of societies under liquidation increased from 830 to 979. The amount due from liquidated societies also increased from Rs. 22.42 lakhs to Rs. 25.82 lakhs while realisation only amounted to Rs. 2.12 lakhs. The progress of liquidation is thus painfully slow while the problem of disposing of land acquired in course of certificate proceedings is getting more and more serious.

In conclusion, Government in the Ministry of Education are pleased to note the names of the non-official and official workers whose services have been acknowledged by the Registrar. Their thanks are due to Mr. Ansorge for his efficient administration of the Department during a period of considerable difficulty. Acknowledgments are also due to Mr. Godbole for his report.

EXTRACTS FROM REGISTRAR'S REPORT

REGISTRATION OF SOCIETIES.

The policy of caution in the matter of registration of new societies continued to be followed. The total number of societies registered during the year was 95 as against 81 in the previous year. Shortage of funds in central banks due to poor recoveries also acted as an indirect check on expansion. By the end of the year under report the total number of working societies was 8,901 as against 9,054 at the end of the previous year. It is apprehended that the number will continue to fall for sometime to come until all the bad societies have been weeded out. The stress laid on consolidation and cautious financing during the last few years has had the untoward consequence of the starvation of even good societies and honest members. The danger of stagnation has therefore become real and the question whether the rate of advance in new organization cannot now be accelerated has assumed importance.

MALPRACTICES.

Many cases of malpractices on the part of secretaries, members of societies and even directors came to light. The common malpractices are:—misappropriation of cash balance, *benami* transactions, mortgaging to societies properties already sold out, collusive rent sales, forgery and refusal to offer security for the loans taken. The disinclination on the part of banks to take steps against the offenders is gradually disappearing but unless the entire public opinion is thoroughly roused against

such offenders it will be well nigh impossible to purge the movement of such abuses. As many as 54 cases of misappropriation, forgery and fraud were reported during the year. Prosecutions were started in 24 cases and 11 of them ended in convictions. It is unfortunate that a tendency to cheat the bank or society of its dues exists not only in the illiterate and uncultured members of rural societies but even educated or better class members are in some cases found guilty of such offences.

The serious situation of heavy accumulation of overdues and the importance of the central banks realising sufficient sums to enable them to cover their establishment and other overhead expenses and to meet their obligations to their creditors, if they are to continue to exist, have been impressed on them. With this end in view they have been advised to place their staff on a subsistence allowance and make the balance of their pay dependent upon really good recoveries. That recoveries can be improved even in the present economic depression cannot be doubted. It has been noticed, *e.g.*, in the case of Nawada and Daltonganj, that a strenuous effort on the part of the directors or a keen desire on the part of the executives acting in co-operation with the Sub-divisional Officers to leave no stone unturned in order to improve the financial condition of the bank does lead to fruitful results. Banks in two adjoining subdivisions under similar economic conditions have fared differently due mainly to the absence of adequate drive and energy in the directorate. In several areas where the bank staff have been able to collect but a negligible fraction of the dues from working societies the liquidator has been able to realise a larger percentage from the societies under liquidation.

Besides several other measures, *e.g.*, reducing the award and liquidation expenses to a minimum, minimising expenditure on travelling allowance by reducing the size of the board of directors and lowering the rates of interest on various kinds of deposits, have been suggested to improve matters. Several banks have followed the instructions with success. But, although there is much scope for improvement in the collection of dues in the case of individual banks no great improvement on the whole can be expected until economic conditions improve and the repaying capacity of agriculturists is increased. It is also essential that the outstanding debts granted in the past for debt redemption and other long-term purposes should be placed on a long-term basis so as to enable them to pay their annual instalments out of the year's harvest after allowing for the cost of cultivation and minimum maintenance charges.

Advances.—The total amount of loans advanced by banks to societies during the year was Rs. 7.52 lakhs which means an increase of Rs. 1.45 lakhs over last year's figure. Great caution in financing of societies is reported to have been exercised. The unsoundness of carrying caution too far was pointed out in the last report; yet instances of undue caution resulting in hardship to members are not wanting. It is reported that in Sasaram area no new loan was granted to a society for about 4 years which made the members despair of their society and compelled them to go to local *mahajans* even for their ordinary requirements of money for cultivation. While due caution is necessary and desirable it is a wrong step to put a dead stop to further financing. If co-operation is to do service to the agriculturist, credit should not be refused to members who are not dishonest or wilful defaulters. They must be given loans to meet their current expenses of cultivation with due regard to the security of such advances. The difficulty however is that due to overfinancing in the past the members have in a large number of cases ex-

ceeded their borrowing limit and the burden of indebtedness has been doubly increased by the fall in the prices of agricultural commodities. The question of classification of loans of members and examination of their assets with a view to ascertain their repaying capacity engaged the attention of the Department during the year under report. An Assistant Registrar was placed on special duty as an experimental measure to carry on the necessary enquiries in select areas and to report the results of his enquiries and also to submit an estimate of the cost involved in making the inquiry in every society in the province. His report has been received since the close of the year and is under consideration.

Agricultural improvement.—Although the activities of the central banks were restricted by continued financial strain, a good many of them were able to spare funds for agricultural improvement. *Kamdars* trained by the Agriculture Department were employed by 16 banks, and three employed agricultural inspecting clerks. The Balasore Bank retained an agricultural inspector and the Khurda Bank a development officer. The demonstration and distribution of improved seeds formed as usual one of the main items of the bank's programme and progress was especially noticeable in the cultivation of maize, *dahia* paddy, sugarcane, ground-nuts, *Kabuli* gram, Pusa wheat, onions, potatoes, barley and winter vegetables. The erection of sugar mills at Dehri, Bihta and elsewhere has given a special impetus to cane-growing in those areas, and the demonstration and introduction of the manufacture of semi-refined sugar were carried out successfully in places where mills do not exist. In some of the areas where factories exist effort was made to bring about an understanding between members growing cane and the managers of factories so that the former got a fair price for their cane. The Supaul bank was most successful in this. While obtaining a fair price for the cane it was also able to recover a considerable portion of the members' overdues from the sale-proceeds. It was the general feeling amongst members and directors that some kind of cane-growers' organisation preferably connected with the existing societies and banks was indispensable if they were to hold their own against the agents of factories and obtain their proper share of the boom in sugar.

The proposal for organization of cane-growers' societies in Daulatpur area was examined and a set of by-laws drawn up for the purpose but no society was registered till the close of the year.

Some banks also distributed manures and introduced and demonstrated the use of improved agricultural implements. In all matters of agricultural improvement the central banks worked in the closest co-operation with the Agriculture Department. A small agricultural and industrial exhibition was held in connection with the 16th session of the Bihar and Orissa Co-operative Federation Congress at Puri.

Land improvement.—The total sum lent by societies to their members for this purpose during the year fell from Rs. 14,000 to Rs. 7,140 of which Rs. 2,457 is reported to have been spent on reclamation of waste land, Rs. 847 on the construction of *bundhs*, Rs. 1,505 in sinking wells and Rs. 2,331 for *gilandazi* and other similar purposes. The Banki-Dompara Central Union spent Rs. 1,234 in sinking a tube-well at Harirajpur for purposes of irrigation. Two societies in Kujang and one in Puri constructed irrigation *bundhs* at their own cost. Individual members of societies are reported to have made some commendable efforts to reclaim waste land in

several areas but the central banks can at present do little to assist such work, as loans for this purpose must be long-term ones for which long-term capital is not available.

Sanitation and medical relief.—A number of banks continued to take interest in the improvement of village sanitation, distribution of medicines, disinfection of wells, inoculation of cattle and the cleaning and repairing of village roads. The Ranchi bank granted small loans to five societies for digging wells in order to improve the supply of drinking water, and the Khunti bank supplied Homœopathic medicines free to 200 patients. Many societies in Cuttack, Banki-Dompara, Kujang and Jajpur areas also stocked either Homœopathic or Ayurvedic medicines for free distribution to members. The Madhipura central bank distributed bacteriophage and quinine and made a laudable effort at disinfecting wells during outbreaks of cholera and influenza. In Begusarai area it is reported that 160 cattle were inoculated and castrated during the year. Steps were taken for the improvement of village communications in some areas. In a few villages of Chapra Sadr area the approach roads were repaired by members of societies partly at their own cost and partly from bank contributions. Approach roads were also constructed and repaired and wells built or improved in the Ranchi, Khunti, Giridih and Bettiah areas.

Cottage industries.—The popularization of seri culture and spinning continued to receive attention, particularly in Angul, Khurda and Bhadrak. The Angul Central Union maintains an seri-rearer and a number of spinners have been trained. A weaving school for the *Pan* continued to be maintained by the same union, which also granted stipends to two students at the Chhendipada weaving school. In Bajpur in Khurda area members have been taught to manufacture unbreakable toys, ink tablets and liquid ink.

The Khunti Home Industries Association in Ranchi circle enjoyed monthly subsidies of Rs. 50 from the Department of Industries and Rs. 30 from the Federation. It maintained two weaving instructors and continued to do useful work. The school was visited by the Hon'ble Minister of Education and the Director of Industries during the year. The Ranchi Weavers Stores made a serious effort to get the weavers of Irba trained in *purdah*-making and with the help of the Department of Industries eight weavers were trained during the year. The Bihar Weavers' Co-operative society (at Asanagar) did better business during the year under review. It is hoped that with the co-operation of the Department of Industries other weavers' societies might be encouraged to follow the example of Asanagar.

AGRICULTURAL SOCIETIES

There was a further fall by 120 in the number of agricultural societies, the total number at the end of the year being 8,479. The total membership of such societies also decreased by 2,994 to 228,238. The working capital decreased from Rs. 223.05 to Rs. 212.90 lakhs and the reserve fund fell from Rs. 35.41 to Rs. 35.07 lakhs. The paid-up share capital of the societies amounted to Rs. 15.71 lakhs at the end of the year as against Rs. 16.05 lakhs last year. The percentage of share capital and reserves to working capital works out at 23.8 as against 23.07 last year. The total amount of loans advanced to members during the year under report was Rs. 5.41 lakhs as against Rs. 6.98 lakhs last year which shows that financing continued on a restricted scale.

Primary credit societies with unlimited liability.—The number of this class of societies decreased by 118 to 8,400. Their working capital and reserves stood at Rs. 209.29 lakhs and Rs. 32.40 lakhs as against Rs. 219.32 lakhs and Rs. 32.66 lakhs respectively last year. The membership of such societies also decreased by 4,120 to 204,662, the average membership now being 24.3. Reference was made in the last report to the importance of increasing the membership of societies. It is regrettable that the average membership has become almost stationary and the societies are not paying attention to intensive development. The desirability of increasing the membership of societies has been pointed out in departmental circulars and the last report. The Committee on Co-operation have also advocated the enlargement of societies.

Grain golas.—The total number of grain golas remained the same as before viz., 70.

Artisans' societies.—These societies generally worked unsatisfactorily. They consist mostly of bell-metal workers and artisans of some other classes such as tailors and oilmen. There were three bell-metal societies in Cuttack circle, viz., Balkati society in Puri Sadr area and Kundapatna and Baidyarajpur societies in Jajpur area. The Balkati society employed a canvasser at the cost of the Bihar and Orissa Co-operative Federation for sale of the society's goods and it is gratifying that the society earned a profit of Rs. 174 on the year's working against a loss of Rs. 5,863 last year which bespeaks, to some extent, the success of this arrangement. The money spent on the canvasser was thus justified. It is hoped that before long the society will be able to pay for the canvasser from its own resources. The Kundapatna society is in a slow process of liquidation as reported last year. The working of the Baidyarajpur society fared better although it resulted in a loss of Rs. 769. There is also a small credit society in Brahmagiri (Puri Sadr area) among bell-metal workers which worked fairly well. The Rampella bell-metal society in Sambalpur Sadr area had a working capital of Rs. 5,553 and earned a small profit of Rs. 97. The bell-metal society in Bhagalpur went into liquidation during the year. An oilmen's society in Khurda area is reported to be working well. There were also three small tailors' societies, one in Sahabganj (Santal Parganas) and two in Puri Sadr area. The Motihari Town and Dariapur No. II societies had working capital of Rs. 83,623 of which as much as Rs. 64,462 is derived from the Motihari bank as loans. It is disquieting that in Dariapur No. II society the entire loan amounting to Rs. 39,716 outstanding against the members is overdue.

WEAVERS' SOCIETIES.

The majority of the Weavers' societies were in Cuttack and Sambalpur circles. The Khurda Central Bank continued to devote its attention to the improvement of the condition of its weavers' societies by teaching the members to dye their own yarns and weave improved patterns of cloths such as towellings, shirtings and coatings and they are reported to be working quite satisfactorily. Another society which worked satisfactorily was the Rousapatna society in Cuttack town. The Ranchi Weavers' Stores have practically stopped work except that *purdahs* were manufactured by eight weavers under the instructions of a supervisor deputed by the Department of Industries. The Stores incurred a further loss of Rs. 1,532 during the year which brought the total loss to Rs. 41,582. The *purdah*-business of the Stores which was started about the end of October of the year under report brought in a

profit of Rs. 33 on a turnover of Rs. 302. In spite of the hopes inspired by this business the affairs of the Stores are so heavily involved that it is difficult to see how they can be saved from ruin. The Bihar Weavers' society fared better during the year than in the last year. It purchased raw materials worth Rs. 11,327, and sold finished goods amounting to Rs. 20,628, the sales being confined mostly to the Cottage Industries Institute, Gulzarbagh. It is gratifying that its business yielded a net profit of Rs. 1,038 on a working capital of Rs. 3,656 only. The two carpet weavers' societies in Sasaram and Bhabua did not work well. The Obra Weavers' society in Aurangabad area manufactures fine carpets and *durries* but owing to the general trade depression and for want of a proper advertising agency its finished products do not find ready market. Most of the other societies of this class are ordinary rural credit societies and their working continued to be generally unsatisfactory. The causes of their failure seem to be disloyalty and dishonesty of members, competition of private capitalists and traders, absence of enterprise and want of proper knowledge of marketing.

FISHERMEN'S SOCIETIES.

There was a decrease by two in the number of these societies, the total number at the end of the year being 53 of which 48 are along the Chilka coast in Khurda area, 3 in Kujang and one each in Banki and Puri areas. The societies on the Chilka coast are mostly in a moribund condition. Their working capital decreased by Rs. 1,564 and stood at Rs. 48,733. The *Khatia* (dry fish traders) societies which are heavily in debt to the Khurda Central Bank are still suffering from trade depression and some of their members have filed applications for being declared insolvent. If they succeed the central bank is likely to lose a good deal of its investments in these societies. The Nulia Society in Puri had 170 members and a working capital of Rs. 16,208 of which Rs. 9,000, it is feared, will turn out to be a bad debt. The society is virtually in course of voluntary liquidation and a literate Nulia youth has been authorized by the central bank to make collections from the members on a commission basis. The societies in Banki and Kujang areas are small ones and their working was indifferent.

STORES.

Societies of the class of co-operative stores continued to suffer generally from economic depression. The Kanke Co-operative Stores had sales amounting to Rs. 1.07 lakhs as against Rs. 1.29 lakhs last year, their chief customer being the European Mental Hospital. Their credit sales to the members, the staff and non-members have assumed dangerous proportions, the total dues from them amounting to Rs. 12,861 at the end of the year. Unless the Stores take prompt steps to reduce credit sales and to recover the overdues they are bound to come to grief. The Secretariat Co-operative Stores at Patna had a working capital of Rs. 37,697. Their sales during the year amounted to Rs. 51,556 and the profit earned was Rs. 1,263. Out of the total dues of Rs. 11,661, Rs. 5,457 was overdue at the end of the year. The Chrestien Co-operative Stores at Domchanch worked satisfactorily. They started three branch Stores and sold goods amounting to Rs. 10,224 as against Rs. 6,908 last year. When the book-keeping of even the Ranchi Accounts Office Co-operative Stores continued to be unsatisfactory, it should not be a matter for surprise if defects are noticed in the books of other stores. Their sales amounted to Rs. 23,174 which was less by Rs. 1,534 than that of last year. The Balugaon Fishermen's Stores in Khurda are in a bad way. The Khurda Central Bank has helped the Stores by writing off all

interest on the existing loan and allowing the further use of it, free of interest. The stores continue to carry on their prawn business for which they were advanced a cash credit of Rs. 2,512. They have repaid the cash credit with an interest of Rs. 90 and were also able to repay their old debt to the extent of about Rs. 1,100. The Bettiah Raj School Stores worked properly and carried a profit of Rs. 209 as against Rs. 76 last year. The Pusa Friends Union Stores had, as before, a very satisfactory working. They work entirely on their share-capital and reserve fund. The Electric Stores and the Cycle Stores at Bhagalpur are not working well and the former are only waiting to be liquidated. The Bhagalpur Automobile Co-operative Association continued its successful working. It had a working capital and reserve fund amounting to Rs. 21,961 and Rs. 1,427 respectively. The society, however, needs to be more strict in the realization of its outstanding dues.

MYSORE

Review of the Government of Mysore of the Administration Report of the Co-operative Department for 1933-34.

PROGRESS OF THE MOVEMENT FROM THE COMMENCEMENT

The report contains an interesting account of the development of the Co-operative movement in the State during the past 28 years and its possibilities for the future. It is gratifying to note that there has been a steady growth in the movement from year to year. The number of societies in the year 1905-06 was only five with a membership of 362 and a working capital of Rs. 14,243. This number has at the end of the year under review increased to 2,088 societies having on the rolls 146,557 members with a working capital approximating Rs. 218 lakhs. Out of these, 1,825 or 87.4 per cent. are credit societies and the remaining 263 are non-credit societies. This works out at one society for 18 square miles, 100 villages and 3,605 head of the population.

PROGRESS DURING THE YEAR

The details furnished below will show at a glance the progress achieved by the movement in various directions when compared to that of the previous year:—

	1932-33	1933-34
1. Number of Societies	2,180	2,088
2. Do Membership	1,44,481	1,46,557
3. Working capital	Rs. 223.0 Lakhs	Rs. 217.6 Lakhs
4. Paid up share capital	" 50.40 "	" 49.42 "
5. Reserve fund	" 26.40 "	" 27.74 "
6. Deposits	" 123.21 "	" 121.24 "
7. Withdrawals	" 110.32 "	" 122.94 "
8. Loans	" 104.52 "	" 100.87 "
9. Turnover	" 728.39 "	" 722.83 "
10. Profits	" 4.64 "	" 4.28 "
11. Demand	" 143.83 "	" 155.98 "
12. Collection	" 97.70 "	" 100.84 "
13. Balance	" 46.13 "	" 55.13 "
14. Outstandings against Members	" 137.97 "	" 143.03 "

It will be seen from the above statement that, although the number of societies has decreased by nearly a hundred, there has been an increase in membership and also in the amount of reserve fund built up by the societies. There is no doubt a reduction in deposits but this was due to the prevailing economic depression. The conditions of the money market enabled societies to attract deposits at low rates of interest ranging from Re. 1-9-0 to Rs. 6-4-0 per cent. This enabled a corresponding lowering of interest on loans issued by Co-operative Banks and Societies.

CENTRAL INSTITUTIONS

There was no change in the number of Central Institutions which remained at 14. But their membership showed a further decline during the year due mainly to the removal of a large number of persistent share defaulters from the rolls of the Land Mortgage Bank. There was similar decline in the working capital and profits of these institutions which fell from Rs. 69.43 lakhs and Rs. 0.66 lakh to Rs. 67.83 lakhs and Rs. 0.56 lakh respectively.

APEX BANK

The number of individual members of the Bank remained stationary at 285 but 11 more societies were affiliated during the year raising the total number of society members to 975. The paid-up share capital increased from Rs. 2.29 lakhs to Rs. 2.41 lakhs. Deposits fell from Rs. 37.55 lakhs to Rs. 35.63 lakhs, the fall being due to the Bank having had to refuse fresh deposits as it had large monies remaining idle in its possession. The issue and recovery of loans were both poor compared to the previous year. Out of the loan amount of Rs. 10.58 lakhs which fell due during the year, a sum of Rs. 1.23 lakhs only was recovered, leaving Rs. 9.35 lakhs overdue. The heavy outstandings are attributed to the continued economic depression prevailing for the past few years; but the position has to be watched carefully and every attempt made to recover the instalments or regularise the payments. The reserve fund of the Bank increased from Rs. 1.30 lakhs to Rs. 1.42 lakhs.

BANGALORE CENTRAL CO-OPERATIVE BANK

The Bank had a membership of 40 societies as against 57 in the previous year, the fall in the number being due to the liquidation of some societies and the filing of disputes against the others. Individual membership rose from 873 to 894. The paid-up share capital rose from Rs. 2.79 lakhs to Rs. 2.84 lakhs, deposits from Rs. 16.83 lakhs to Rs. 17.25 lakhs and the reserve fund from Rs. 1.94 lakhs to Rs. 2.08 lakhs.

DISTRICT CENTRAL BANKS AND FEDERAL BANKING UNIONS

The working of these institutions continued to be unsatisfactory. The Registrar reports that the accounts of the Federal Banking Unions are in various stages of adjustment and that their registration will be cancelled as soon as the adjustments are finally effected. He is requested to take similar action in respect of the District Central Banks also.

PRIMARY SOCIETIES

The progress achieved by primary societies comprising agricultural, non-agricultural and store societies during the year as compared with the previous year is as indicated in the following statement:—

	1932-33	1933-34
I. Agricultural Societies—		
(a) Number of Societies	1,723	1,629
(b) Membership	71,134	71,951
(c) Working Capital	Rs. 54,33,775	Rs. 54,22,256
II. Non-Agricultural Societies—		
1. (a) Number of Societies	443	445
(b) Membership	70,326	71,793
(c) Working Capital	Rs. 99,32,761	Rs. 95,55,281
2. Credit Institutions—		
(a) Number of Societies	273	277
(b) Membership	51,657	52,588
(c) Paid up share capital	Rs. 25,57,043	Rs. 30,84,671
(d) Deposits	" 38,76,658	" 48,14,502
(e) Reserve Fund	" 10,37,815	" 12,92,252
(f) Loans issued	" 80,33,741	" 76,89,325
(g) " recovered	" 76,11,413	" 71,90,769
(h) Outstandings	" 67,74,602	" 66,86,320
3. Store Societies—		
(a) Number of Societies	89	88
(b) Membership	15,734	16,357
(c) Working capital	Rs. 16,69,009	Rs. 17,09,896
(d) Purchases	" 12,14,739	" 13,34,650
(e) Sales	" 12,18,691	" 13,48,083
(f) Net profit	" 30,259	" 55,727
(g) Reserve fund	" 1,95,607	" 2,08,601

It will be seen from the above statement that, although the total number of societies has decreased by nearly a hundred, there has been no corresponding reduction in membership or share capital or transactions. Out of the 1,629 agricultural societies, 1,534 were credit institutions, 27 were agricultural supply societies, 49 Grain Banks and 19 sale societies for areca, cotton, cardamom and other products. The majority of the Grain Banks are not working satisfactorily and steps are being taken to wind them up. The working of the supply and sale societies leaves much to be desired and requires attention. The question of finding foreign continental markets for the cardamom grown by the members of one of the two Cardamom Societies is said to be under correspondence with the Trade Commissioner for Mysore in London.

INDUSTRIAL CO-OPERATION.

The number of Sericultural Societies remained at 20 as in the previous year, with a membership of 422 and working capital of Rs. 5,466. They prepared and supplied 427,957 disease-free layings during the years as against 332,676 in the previous year. With a view to further improve the working of this class of societies, the Director of Industries and Commerce has been requested to instruct the officers of the Sericultural Department to take steps to develop the co-operative spirit and make the societies serve the larger needs of their members besides attending to their primary work connected with disease-free layings, preserving seed-cocoons, etc.

The Sandalwood Carvers' Societies at Sagar and Sorab manufactured articles of the value of Rs. 4,896 and effected sales to the extent of Rs. 4,771. The Gota Manufacturers' Society in Bangalore City continued to do fairly satisfactory work in spite of the trade depression and transacted business to the extent of Rs. 64,874. There were 67 Weavers' Societies, of which 16 were Adikarnataka Societies, with a membership of 5,266, a total working capital of Rs. 1.39 lakhs and a Reserve Fund of Rs. 52,000. The total turnover was only Rs. 3.70 lakhs as against Rs. 6.40 lakhs in the previous year, the heavy fall being due to the general depression in the textile industry.

HOUSE-BUILDING SOCIETIES.

There were 28 societies for granting loans for the construction, repair or improvement of houses. They had a total membership of 2,541 and a working capital of Rs. 8.5 lakhs. They issued loans to the extent of Rs. 82,329 during the year. The Bangalore City Housing Society is the biggest among the Housing Societies in the State. It had a total working capital of Rs. 2,32,656 and attracted deposits to the extent of Rs. 1,05,460. It sanctioned loans to the extent of Rs. 42,290 during the year. With a view to enable it to extend its usefulness still further, Government have recently sanctioned a loan of Rs. 1½ lakhs payable in 15 years at 5 per cent interest. The Krishnarajanagar House-building Society was responsible for the construction of 120 houses in the new extension and the Society at Mandya has so far financed the construction of 48 houses. The Tumkur and Madhugiri Societies have similarly enabled the construction and improvement of 79 houses.

DEPRESSED CLASSES SOCIETIES.

The number of depressed classes societies fell from 250 to 226. They had a membership of 6,157 and a total working capital of Rs. 1.32 lakhs. They held deposits amounting to Rs. 4,838. The Registrar observed in the previous year that the working of these societies as separate institutions had not been successful and Government directed that the question of amalgamating them with the local credit societies might be investigated and action taken accordingly. He has reported that two such societies were amalgamated with the local credit societies during the year, and steps will be taken to amalgamate a larger number wherever possible.

CO-OPERATION IN THE MALNAD.

There were 368 societies in the Malnad at the end of the year inclusive of nine Land Mortgage Societies, having a total membership of 22,334 and a paid up share capital of Rs. 6.55 lakhs. The deposits held by them amounted to Rs. 3.56 lakhs and their reserve fund to Rs. 4.20 lakhs. The biggest society in the Malnad was the Shimoga Co-operative Bank which showed improvement in all directions. The Sugar Society also worked satisfactorily and so did the Bhadravati Iron Works Society which is running a Co-operative Mess in the New Town and has also recently undertaken to supply provisions to the employees in the Forests, Mines and Tramways by running a Provisions Waggon on the line.

OTHER SPECIAL SOCIETIES.

The Students' and Women's Co-operative Societies continued to do good work during the year.

LAND MORTGAGE BANK.

The lending operations of the bank now extend over 14 taluks and two sub-taluks inclusive of the Mudgere and Chikballapur Taluks added during the year. The scheme has since been extended to Turuvekere, Tiptur, Krishnarajanagar and Kolar also. The bank issued a second series of Debentures for Rs. 2½ lakhs during the year and also obtained a cash credit of Rs. 50,000 from Government. Out of 204 loan applications dealt with by the bank, 93 were sanctioned, being a sum of Rs. 1,30,520 in the aggregate and 72 were rejected. Five of the 93 sanctioned cases were subsequently cancelled involving a sum of Rs. 32,000 and a sum of Rs. 19,650 was sanctioned in 10 cases which had been previously rejected.

LAND MORTGAGE SOCIETIES.

The number of Land Mortgage Societies affiliated to the bank was 14, having a membership of 1,420 and a paid-up share capital of Rs. 40,964. The societies dealt with 283 loan applications. They rejected 86, and sent up 127 for sanction to the Land Mortgage Bank.

FINANCE.

The total expenditure on the Department amounted to Rs. 1,30,569 as against Rs. 1,32,373 in the previous year. The societies themselves spent out of their income Rs. 1,94,868 for their management as against Rs. 1,95,766 during the previous year.

SCHEME OF THE GOVERNMENT OF MADRAS FOR THE DEVELOPMENT OF THE COTTON HANDLOOM WEAVING INDUSTRY IN THE MADRAS PRESIDENCY

The crux of the problem of handloom weaving is marketing. The Government of India have accordingly agreed to assist by grant of subsidy, schemes for developing co-operative buying and selling on behalf of the handloom weavers and generally for the better organization and improvement of the handloom industry. The grant for this Presidency is Rs. 26,500 for 1934-35 and Rs. 59,500 for 1935-36. The Director of Industries proposes to utilize this grant in giving subvention to a co-operative organization and has accordingly, in consultation with the Registrar of Co-operative Societies, proposed the formation of a Provincial Co-operative Society. The area of operations of this society will extend to the whole Presidency. The headquarters of this society will be Madras and its authorized capital Rs. 5 lakhs divided into 10,000 shares of Rs. 50 each. Co-operative societies intended for the benefit of weavers are, among others, eligible to become members and each such primary society will, at the outset, consist of at least fifty members. Thirty such societies will be organized in the first instance. The Provincial Society will be managed by private persons subject to the general control of the officers of the Departments of Industries and Co-operation, acting as ex-officio members of the Board of Directors of the society.

2. As the success of the scheme depends upon the regular sales of hand-woven cloths produced by the weavers' societies, a Marketing Officer will be appointed and attached to the Provincial Co-operative Society. Besides this officer there will be five marketing agents appointed in suitable centres. The agents will assist the primary weavers' societies in their jurisdiction in marketing their output. In course of time, the paid marketing agents will be replaced by marketing agents on a commission basis only and the services of paid men will be utilized for new centres.

The Marketing Officer will prepare a standard wage list for handloom weavers, regulate the cost of cloths manufactured in primary weavers' societies and co-ordinate the work of the marketing agents. He will also secure forward contract orders from wholesale dealers of cloth and pass them on to the marketing agents for execution.

3. To supply the weavers' societies with a wide and varied range of improved designs for fabrics, a Cloth Designer will be appointed by the Provincial Co-operative Society. He will keep in close touch with the designs and patterns of mill-cloths which are in great demand and evolve suitable designs for corresponding types of handloom cloths.

4. Attempts will be made to bring down the cost of production of cloths. The inclusion as members of the Provincial Society of firms engaged in the production, distribution or sale of raw materials required by the handloom weavers such as yarns, dye-stuffs, chemicals, etc. will, it is expected, secure for the weavers' societies the required supplies of raw materials on advantageous terms and under guarantee of quality.

Small units of power-driven machinery for preparing and distributing ready-made warps for handlooms will also effect reduction in the manufacturing costs of

handloom cloths, and such installations will pave the way for the standardization of handloom products, which will facilitate marketing. Proper finishing is also likely to create or to develop the demand for handloom cloths. It is therefore, proposed to install separate units of power-driven warp preparation plant and finishing plant. A small dyeing factory will be attached to the Provincial Society.

As the grant from the Government of India is, however, limited, it is proposed to make a subsidy to the Provincial Society to cover part of its expenditure on installing the above machinery.

5. The primary weavers' societies will be given a subsidy to cover the cost of their staff and to purchase appliances. When they begin to show a profit the subsidy will be diverted to new societies to be started in other areas. Their activities will be mainly directed towards producing such fabrics as can be marketed in or near their areas, of operation, and to undertake also the manufacture on handlooms of fabrics similar to mill cloths imported for use in their areas. Fabrics for the export market such as lungees, kailies and Madras handkerchiefs will also be produced and marketed.

BY-LAWS OF THE MADRAS HANDLOOM WEAVERS' PROVINCIAL CO-OPERATIVE SOCIETY, LIMITED.

NAME, CONSTITUTION AND ADDRESS

The Madras Handloom Weavers' Provincial Co-operative Society, Limited, is registered as a co-operative society under Madras Act VI of 1932. Its address shall be Madras village, Washermanpet post, in the taluk of Madras in the Madras district. Its operations shall be confined to the Presidency of Madras.

It will be referred to in these by-laws as "The Provincial Society."

2. A society in these by-laws means a co-operative society, a primary society or a district society registered either under India Act X of 1904 or Act II of 1912 (India) or Madras Act VI of 1932 and admitted as a member of the Provincial Society. A member includes a society unless the contrary appears from the context. A member society will be referred to in these by-laws as an affiliated society.

OBJECTS

3. The object of the "Provincial Society" is the organization of the handloom industry on a commercial basis in the area of operations mentioned in by-law 1 and the expansion of the market for handloom fabrics. For the purpose of attaining this object, it shall be competent for the Provincial Society—

- (1) to raise the money required by issue of shares and by borrowings;
- (2) to purchase either for cash or credit such raw materials and appliances as may be required for the industry and retail the same either for cash or credit to the affiliated societies;
- (3) to grant advances to affiliated societies;
- (4) to purchase and hold in common or let on hire improved appliances connected with the industry;
- (5) to purchase or receive for sale the finished products of the affiliated societies and sell the same to the best advantage;
- (6) to purchase and supply the requirements of its affiliated societies;
- (7) to establish and conduct one or more depots for the sale of the products of societies;

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- (8) to do such other acts as may help the development of the handloom industry or improve the economic condition of weavers; and
- (9) to receive contribution for such purposes and carry out the objects of contributions.

MEMBERSHIP

4. The liability of the members of the Provincial Society shall be limited to the share capital subscribed by them.

5. The authorized capital of the Provincial Society shall be Rs. 5,00,000 made up of 10,000 shares of Rs. 50 each. Of these shares not more than one-third shares may be allotted to applicants other than societies.

6. Any person over 18 years of age, who is competent to contract, residing within the limits referred to in the third sentence of by-law 1 and who sympathizes with the lot of the handloom weavers and any firm engaged in the production, distribution or sale of raw materials required by handloom weavers and any co-operative society intended mainly for the benefit of weavers, shall be eligible for admission as a member; but no person, firm or society can claim admissions as a matter of right.

7. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

8. Every member shall take at least one share but no individual member shall take more than 200 shares. A society shall invest as much of share capital as the Board of Directors may determine from time to time, but in no case can a society be asked to invest more than the share capital held by it from its own members. Every member shall pay an entrance fee of 4 annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs. 5.

9. No member shall be permitted to transfer any share held by him unless the transferee be a member or some person whom the Board of Directors is willing to admit as a member and provided in any case that the transfer of share shall not be operative unless and until it is sanctioned by the Board of Directors. No member shall except with the permission of the Board of Directors be permitted to withdraw any share or shares held by him.

FUNDS

10. The Provincial Society will ordinarily obtain funds from the following sources:—

- (1) Share subscriptions.
- (2) Borrowings.
- (3) Fees.
- (4) Grant or subsidy or other assistance from Government and other institutions.

11. The value of a share shall be paid in one lump sum on allotment.

12. The Board of Directors may raise loans on such terms as may be mutually agreed upon and give security therefor.

MAXIMUM BORROWING LIMIT

13. The total borrowings of the Provincial Society shall not at any time exceed five times the paid-up share capital and the reserve fund. But any sums borrowed on the security of finished products definitely pledged to and placed in the custody of the creditor shall not be restricted to the said limit of five times the sum paid-up share capital and the reserve fund.

MANAGEMENT

14. Subject to such resolutions as the general body may from time to time pass the executive management of the affairs of the Provincial Society shall vest in a Board of Directors. This Board shall consist of 15 members of whom (1) the Director of Industries, (2) the Registrar of Co-operative Societies, and (3) the Principal, Government Textile Institute, shall be *ex-officio* members and six of the remaining members elected by the general body of the society from among individual members and firms holding not less than twenty shares each and the remaining six shall be elected by the representatives of member societies from among themselves. The President and the Vice-President shall be elected by the Board of Directors. The executive committee shall consist of nine members including the President, Vice-President, Director of Industries, Registrar of Co-operative Societies, Principal, Government Textile Institute, Madras, the remaining members being elected by the Board of Directors. Two at least of the members of the executive committee shall be representatives of member societies. There shall be a full-time secretary appointed by the Board on such salary as they may fix. He shall conduct the affairs of the society subject to the control of the President. The members of the Board for the first year shall be nominated by Government.

15. The elected members of the Board shall hold office for a period of three years or until their successors are elected. A retiring member of the Board of Directors, shall be eligible for re-election. A casual vacancy on the Board of Directors shall be filled up by the Board and the co-opted member shall hold office until the next general election takes place.

16. The Board of Directors shall meet as often as necessary to conduct the affairs of the Provincial Society. The quorum for a meeting of the Board shall be seven and for the executive committee four for a meeting. All the questions before the Board of Directors shall be decided by a majority of votes. Should there be an equality of votes, the President or other presiding member shall have a casting vote.

17. Should an elected member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

17-A. The President and in his absence the Vice-President and if both are absent a member elected by the meeting shall preside over the meetings of the executive committee, Board and the general body.

18. Subject to such resolutions as the Board of Directors may from time to time pass, the several officers of the Provincial Society shall have the powers mentioned below:—

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- (a) The President shall have a general control over all the affairs of the Provincial Society. He shall also have power to appoint the members of of the establishment except the Secretary and the Marketing Officer as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors.
- (b) The Secretary shall be responsible for the executive administration of the Provincial Society subject to the control of the President and have custody of all the records and property of the society. One of the Directors elected by the Board shall be the Treasurer.
- (c) Any account, current or cash credit, opened in the name of the Provincial Society shall be operated on by the Secretary.

19. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by Rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection, to correspond with the Registrar and to do all other business relating to the Provincial Society.

20. The Board of Directors shall be competent to appoint the necessary staff and to fix the amount and nature of the security, if any, to be given by office establishment.

21. The Board of Directors shall have power—

- (1) to inspect and to ascertain by inquiry by deputing one or more of their number or any person authorized by them if the affiliated societies are working on proper lines and point out to them the defects in their working; and
- (2) to call for any information, statement or return concerning the working of affiliated societies. The societies concerned shall give all facilities for inspection and furnish the information, statement or return called for.

22. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the Provincial Society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the Provincial Society and they shall be reported to the Registrar of Co-operative Societies, for approval.

23. The services of the members of the Board of Directors shall be gratuitous except that they may receive travelling allowance and sitting fee that may be fixed by the general body.

24. *General body.* The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the Provincial Society. The general body shall consist of (1) individual members and (2) representatives of member societies. Each affiliated society being a member of Provincial Society shall, at its general meeting, appoint a delegate; vacancies among delegates shall be filled up in the same manner. A delegate ceasing to be a member of his society shall cease to be its delegate. Every delegate shall hold office for a period of three years or until his successor shall have been appointed; provided that it shall be competent to any affiliated society at any time to remove its delegate and appoint another. Each individual member and each representative of a member society shall have only one vote.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within a month after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the Provincial Society shall publish such of the prescribed statements as he may direct in the manner prescribed.

39. When by these by-laws it is provided that written notice shall be given to any member, the delivery of such a notice at the house at which such a member ordinarily resides or posted to the address registered in the office shall be sufficient service of notice.

40. The society shall sue and be sued in the name of the society represented by its Secretary.

A SCHEME TO RAISE LONG TERM MONEY REQUIRED BY CO-OPERATIVE BUILDING SOCIETIES

Extracts from a Note circulated by the Registrar of Co-operative Societies, Madras.

1. The question (of financing the construction of new houses) was seriously considered by the Madras Government in 1914 and they were of opinion at first that municipalities should finance building societies, if any, formed for the purpose of town extensions. Later on this decision was altered and Government formulated a scheme by which co-operative building societies are to be financed directly by Government. After this scheme was sanctioned, (in 1923-24) building societies were started all over the presidency.

2. * * * *

3. Past experience shows that individual societies were not able to raise the money required by them and Government had to come for their help with the result that all the moneys required by building societies are now given by Government alone. It should, however, be noted that if extension is necessary to keep pace with the demand, some source other than Government will have to be found to finance building societies. The question has been raised, discussed and decided that the existing co-operative financing banks cannot finance building societies. The Banks cannot afford to give long-term loans out of their short-term deposits. For obvious reasons the existing Central Land Mortgage Bank cannot divert its funds for the benefit of building societies. After careful consideration the Registrar has come to the conclusion that the only way in which money can be raised for building societies is by the formation of a Central Co-operative Building Society in Madras which will raise long-term money by means of debentures secured on the mortgages of houses transferred to it by primary building societies. The building societies in the Presidency may combine together and form a Central Society. Unlike the Central Land Mortgage Bank which can get readily substantial landed property as security for the debentures issued by it, the proposed society cannot have ready-made property to begin with on the security of which it can float debentures. The security for the debentures will be the houses to be constructed after the loans are given. It is, therefore, necessary that some houses will have to be brought into existence before any money can be raised by way of debentures. For this purpose a substantial amount of money will have to be collected in the shape of share capital. It is, therefore, proposed that the Central Society should admit a number of individuals who can put their money as investment. The constitution of the proposed Central Society will therefore, be a mixed one as in the case of District Central Banks. The share capital of the society may be fixed at Rs. 5 lakhs and the society can begin business only after a share capital of at least a lakh of rupees is collected. This amount will serve as a nucleus for the purpose of getting houses on the security of which debentures may be floated. The value of debentures floated shall not at any time exceed the value of money invested in loans to societies on the security of houses mortgaged. The rate of interest offered on the debentures may not exceed 4½ per cent for the present. The Central Society can charge 5½ per cent on loans given to primary building societies. The latter may charge not more than 6 per

cent to their members. The debentures may be issued for a period of 25 years with option to redeem on three months' notice. A minimum period, say ten years may be specified within which a debenture shall not be redeemed. The loans given to societies may be made repayable within 20 years. The dividend paid on share capital may not exceed $7\frac{1}{2}$ per cent in the case of individuals and 6 per cent in the case of societies.

4. Existing building societies cannot join the proposed Central Society without amending their by-laws. They cannot, under their by-laws, borrow money except from Government. No useful purpose will be served if the Central Society is to lend money to the existing societies to pay off their debts to Government. The new money should be available to put up new houses. After safeguarding the interests of Government in the existing societies, they should be permitted to borrow the further money required from the proposed Central Society.

5. The chief points to be borne in mind in framing the by-laws may be somewhat as follows:—

- (1) *Name*.—The Madras Provincial Co-operative Building Society, Limited.
- (2) *Area of operations*.—This will extend to the whole of the Presidency.
- (3) *Membership*.—Individuals residing in any part of the Presidency as well as building societies are eligible to become members.
- (4) *Share capital*.—The capital of the society will, for the present, be Rs. 5 lakhs divided into 5,000 shares of Rs. 100 each. The value of each share shall be paid in one lump sum on allotment. An individual member may be permitted to take shares up to Rs. 5,000 with the sanction of Government.
- (5) *Borrowings*.—The society will borrow money by way of debentures secured on house properties transferred to it by building societies. The value of debentures issued and outstanding at any time shall not exceed the value of loans given and outstanding against primary societies. The rate of interest paid on debentures shall not exceed $4\frac{1}{2}$ per cent. The total amount borrowed by way of debentures shall not exceed 25 times the paid-up share capital and reserve fund of the society.
- (6) *Loans*.—No primary society shall lend more than Rs. 10,000 to any individual and the maximum borrowing power of the primary building society shall not exceed five times its paid-up share capital and reserve fund.
- (7) *Board of Management*.—The Board shall consist of not more than fifteen members of whom at least six shall be representatives of individuals.
- (8) *Dividend*.—The dividend paid on share capital shall not exceed $7\frac{1}{2}$ per cent per annum.

CO-OPERATIVE HOUSE BUILDING

Extracts from the Opening Address of the Registrar of Co-operative Societies, Madras at the City Conference.

The problem of housing has in the last few years been assuming an importance which it did not have before owing to certain economic and social forces. The

figures of the last census have shown a considerable increase in the population of the country. Side by side with this increase, there has been a migration of the people from villages to urban areas. The result is that there has been over-crowding in cities and other important urban centres. There have been also several town-planning and extension schemes set on foot by Municipalities and Local Bodies. Moreover, the public are now realising the need for the modernisation of houses, and for their construction on up-to-date sanitary and healthy lines. Finally, the desire to own a house of one's own rather than to be at the tender mercies of a landlord is now more marked than in the past. The operation of these several factors makes the problem of housing in the immediate future a very important one. It seems to me, therefore, that we should work out a suitable plan of attack on the problem and the proposed Central Co-operative Building Society would seem to offer assistance in this direction.

In European countries, particularly, since the Great War, housing schemes are being carried on mostly through private enterprise. Local authorities, public utility societies and private builders undertake this work. When there is a large scope for private effort and initiative in this particular branch of social and economic activity, it seems to me unnecessary for Government alone to be relied on for financing housing schemes. Moreover, there is a limit up to which Government can give loans. For various reasons the amount of loans advanced by the Local Government during the last four years has considerably decreased. It is impossible to expect Government to continue to make available every year large sums of money for the construction of houses in proportion to the demand in the country. If by non-official effort a separate central institution can be organised, enough funds may be provided to raise housing schemes on a co-operative basis to meet the increasing demand.

The time appears to be propitious for the starting of a society of the kind that we now contemplate. Plenty of money is available in the country and is awaiting investment. Owing to the depression and the difficulty of recovery of advances made, there is a contraction in private moneylending and the people seem to prefer the safety of their investment to a higher rate of interest. Money can be raised at a cheaper rate of interest. The Central Building Society, when formed, will be a safe institution in which the public can invest for an urgent social need. While on the one hand it gives an opportunity to the people to invest, on the other, it can make the moneys placed at its disposal available for financing co-operative housing schemes in the presidency and in thus helping the middle class people to own houses.

I may now touch upon the financial aspect of the matter. As you will have gathered from the printed note circulated, it is intended to raise funds for financing the construction of houses mainly by share capital subscriptions and debentures. It is thought that both individuals and primary building societies in the presidency may put in an initial share capital of a lakh or two. If this be done, this amount will be lent out to members of affiliated primary societies and their houses will be assigned to the Central Building Society to this extent and this will form the security for the issue of the first series of debentures. The amount so raised through the floatation of the first series will again be utilised towards loans to members and fresh houses will be got assigned to the Central Building Society. These houses will constitute the security on which the second series of debentures will be floated. Thus funds will be raised from time to time and in the first few years the progress will be slow, but, with the increase in share capital, the business of the society will be increased and its transactions will develop more rapidly. The de-

bentures will be floated for a period not exceeding 25 years and at a rate of interest not exceeding 5 per cent according to money market conditions. The proposal is not without its parallel in European countries. In Sweden "the Swedish Housing Loan Fund" borrows the necessary capital by the issue of debentures. In Denmark, the "State Housing Fund" issues certificates to the borrowers and in reality they do not receive the nominal amount of the loan but a sum proportionate to the value quoted on the stock exchange for the certificates issued by the fund. In Italy, the "Autonomous Building Credit Section" is permitted to issue "Building bonds". In Poland, capital for financing housing schemes is raised by the issue of "building credit bills" and "building bonds."

But I must make it clear here that the Local Government do not propose to give any guarantee of the debentures to be floated by the proposed Central Building Society. Nor is this, in my opinion, necessary. The debentures will have the three essential features of sound investment, viz., safety, remunerative return on the capital invested and ease of realisation. The money realised through flotation of debentures will be secured by first mortgages of house property in important urban areas and cities, where houses have readily saleable values.

EXTRACTS

THE EDUCATIVE VALUE OF A CO-OPERATIVE SOCIETY *

By

SARDAR SAHIB SARDAR BEANT SINGH, B.A., P.C.S.,

Deputy Registrar, Co-operative Societies, Jullundur (Punjab).

I propose to talk to you to-day very briefly about the educative influence of a Co-operative Society on its members. You have doubtless studied the Co-operative Act and the Rules under the Act, discussed schemes of various types of societies current in the Province, and done some hair-splitting over their bylaws. All this must have been a trying task to go through fully in a brief period of four months, a huge mass of information not easy to assimilate; sometimes even confusing if not conflicting. But, once you understand and hold fast the central idea of a Co-operative organization, most of the confusion will clear. Rules will then appear in a logical significance, and various practices as necessary corollaries to these Rules.

Now what is that central idea of Co-operation? To use one descriptive word, it is 'Man making' or what the Greeks called 'Good Life' or what we moderns with improved grammar prefer to call 'Better Living'. But 'life being more than meat and body than raiment' the skirts of Co-operation having 'man making' as its objective shall have to be so widened as to include in it the 'social' and the 'moral' in addition to the economic man. All three are so inseparably connected that to develop one you cannot ignore the other; also each runs its tentacles so deep into the other that it sometimes becomes difficult to distinguish the 'Social' from the 'Moral' and the 'economic' from the other two. The objective thus defined, i.e., 'man making' with emphasis on the economic self; let me note in passing the *method* of Co-operation and the means it seeks to employ for the achievement of that objective. The method, as you all know, is the method of 'self-help', the means, the means of 'Association'. I will not stop here to examine the instruments of 'self-help'. For this the "sluggard may go to the ant, learn her ways and see how she provideth her meat in summer and gathereth her grain in winter,"; nor shall I wait to explain the various essentials of co-operative association where you can select your own 'guide, overseer and ruler.' My one purpose to-day is to show with reference to some of the details of the working of co-operative organization, how it acts and re-acts to raise the 'whole' man, how it educates one in the art of life, makes of him a good citizen and a wise steward.

Take first the practice and principles involved in the *selection of members*. What training it affords or ought to afford to all in its fold in the matter of choice of companions? Keep off the bankrupt, the bad character, the intellectually raw, the mentally un-sound and the morally unfit and you save yourself so many shoals, so many pitfalls in life. The bylaw in question, in its various clauses, re-

* Lecture delivered to the Inspector candidates, Co-operative Societies at the Gurdaspur class.

flects so much of the 'essence of the essays' and the 'Wisdom of the proverbs.' All your members must only be men of good character, persons willing to work and willing to improve their condition. They are not to mix with those loose in life. The distinction is to be made between the good and the bad. You are not to go the way of the evil men. The order is, "Avoid it, pass not by it; turn from it and pass away." As you will mix so will you be fixed; as your friends are, so will you be. In selecting your companions in one field of life you will learn how to select them in others. It is a great thing to select the right companions; and, the membership of co-operative societies teaches you at least whom not to select. Given good companions half the errors of life should be curtailed. Co-operation gives all this training gratis and as a matter of course.

Next comes obedience to the verdict of majority. Such a rule is the very alpha of all corporate life, and yet man was not born to its habit. It comes only through learning and a co-operative society is the simplest and most accessible school to learn it in. It drives home the lesson through subjecting its members to varying majorities for varying objects; picks you up as a self-willed man in the street, and seasons you in the discipline of democracy. Allied to it is the question of voting. In the modern world voting is going to be a potent instrument of either good or evil. Important issues hang on the way it is going to be wielded. It is coming and it is not in any one's power to stop its advance. All you can do is to warn men of its potency, and train them in the right use of it, and you will find that a co-operative society is a most convenient unit to teach it. And those who join it will learn something of it even though unconsciously.

Along with this choice of companions, you get training in selecting your Chiefs or making them where there are none already. Such Chiefs are not to be necessarily the first-born, the nature-made or the law-made—not the 'benefactors that exercise lordship or authority over you'; but persons who prefer 'service' to 'sitting at meat', who come to 'minister more than to be ministered unto', who measure greatness in terms of love towards neighbours, 'ready to chide wanderings' but 'prompt to relieve pain'; persons 'more skilled to raise the wretched than to rise', persons who seek personal advancement only as part of the improved surroundings which they themselves have helped to improve. Such leaders you need and a co-operative society affords you the best training ground for their selection. Select one; found wanting, try another and yet another till you get at the right man to lead you out of the wilderness and to act as your 'Prince and Judge'. The law restricts your choice but little. Given wisdom-tooth and financial solvency, you can try anybody irrespective of possessions of caste and creed. My friends, this is a valuable lesson which a co-operative society gives to its members and which well-learned should stand them in good stead in seeking their guides in other spheres of life.

Again, for those who are thus selected to various offices of power and responsibility a Co-operative society furnishes the best educative field. Begin with the Treasurer. Whether public or private, your own or your friends', it is not an easy task to keep money safely. It breaks strings of, and burns hole in the strongest bag. It has many wings to fly, many loops to creep through. But that little lord of the Treasury, the cashier of a village society, having tasted losses, having wasted substance now and then, sets himself up as a careful custodian of the common fund. The duties of your cashier are full of valuable lessons for the lay-villager. Here success, he is sure to be safe with his own treasure on earth, resisting temptations of

the flesh, 'preventing corruption through moth or rust, and keeping the thieves out.' Two or three such persons should be a positive gain to the village community—your Strong Rooms, your Double Locks. When you go about teaching, teach that the appointment of the cashier in a village society is more than a bare accident. It is a valuable opportunity for education for several individuals in the village.

Then take the committee, the education and experience its members get in the daily discharge of their duties. They have to judge who is worth how much in the village, gauge their capacities, guess their requirements, curb their caprices, but respect their sentiments, heal their vices and cure their woes. They have to learn where to say 'No' and when to say 'Yes'—most difficult lessons these, yet lessons on which depends so much the balance of human society. They have to handle large sums, borrow in thousands, lend in lacs, meet claims, recover dues, control expenses, balance budgets, keep records and render accounts. This is no simple task. Theirs is surely a vast and variegated code of management in business; and though but mere novices to start with the daily discharge of such duties should make them soon attain to the integrity, prudence and diligence of fairly advanced men of business. They should learn how to select workers, how to make them work, where to praise them, when to blame them—all these lessons of great value in the private life of an individual. There is no formal school anywhere to learn all this in. A co-operative society teaches you and charges no fee for the tuition.

Turn for a moment to the programme of a Better-living society. The duties of the committee give its members a full taste of the task of a Social Reformer. Theirs is a struggle against follies deeply cherished and hard to shake, against waste woven in the very natures of men, against habits formed, customs founded and ignorance adamant. They have to cut and cut effectively without causing irritation, without wounding pride. They have to deduct without making a thing look any the little; marry couples without mangling money, bury the dead without digging graves for the living. What is more difficult that a Social Reformer has got to do, and it is exactly what a Better-living society does or is expected to do. Not unoften they have to run against Pundits and Maulvis with Calvert's simple by-law as their *only* "revealed book." With newly extended scope of its functions in the fields of hygiene and sanitation our committees will be performing the City Fathers' duties bare-handed without the force of Municipal Laws at their backs. This is not a simple task. We do not know what success awaits us and when it will come, but in the endeavour to achieve it we'll literally be re-making some of our men giving them a smattering into the duties of municipal workers. If environments do not change readily, ideas will be improved and that is no small gain.

Let me now take you for a few minutes to sit with the committee of a Consolidation Society, and see them make "New Earth." What a game of skill, tact and patience! They build a block, pull it down, re-make and un-make again. The husband agrees, the wife objects and the half-partner brother sits mum; the son would exchange, but the old father considers his own field as the hub of Universe and would make his grave on it. There are so many differences to be reconciled, differences subjective and objective, differences of soil and psychology, supposed and real, inherent and acquired. The Committee has to meet them all, and in doing it perform the very miracle of making parallel lines meet. The surprise is how they do it, yet they do it quietly, smoothly without a Round Table before them sitting on earth but without raising dust. Let Jinnah and Malviya come and learn how to

compose differences, how to reconcile interests, learn to make 'New Earth' before attempting 'New Heavens.' But let me leave the politicians and take a party of humble co-operators to a newly consolidated village in Rugar. What do we see there? One man one block; straight boundary lines; roads straight and level fit for a Rolls Royce to go on; with pucca Burjis on both sides to guard against encroachments. Plots for pits, plots for play grounds and plots for future extension of the village; water-courses newly laid up, causing economy in land and water; ponds raised, wells sunk and the very graves removed to safe distances. Is this not creating a new earth? Ask Ivon and he will tell you. All this has been done by your Committee and remains as the sure testimony of their skill, strategy, resourcefulness, perseverance, patience and power of persuasion to soften Pharos without the rod of 'Moses.' What a school for training men! *Do one* consolidation and you will be a scholar in the book of life without labouring on an alphabet in literacy. Say you, "Yes there are opportunities for committee members to learn, but what chances there are for others who never come on the Committee and never work on them." Turn back to the credit society. I have told you something already about the right use of voting, of training in the choice of Chiefs. I need not stop to explain the significance of education lying in the lines of surety system, systematic savings, right use of credit, careful borrowing and punctual repayments. These are too familiar teachers to need introduction. I will recall a trifling, a mere speck in the firmament of co-operative credit to illustrate my point. Take the Pass-book (The little punny nail in our huge and elaborate machinery) and weigh its educative influence on the man who borrows all his life, pays all his life; pays his *Bania*, his shop-keeper, his collector; pays his debts, his rents and his revenues, but *never asks for a receipt*, and given one, doesn't know how to keep it, does not know its value. Survey the results. Payments pressed and made in respect of the same amount is a story too often told for me to tell again. Let alone the cost in money, it leaves behind a lamentable loss of faith, and a landing on litigation fruitless but endless; endless irritation, heartaches and straining of relations between the parties. You will say, "It is the badge of the community of illiterates." I suggest there is a way out through the Pass Book. It will spare much sorrow and many sighs. Every member is supposed to get all transactions entered in it before leaving the Cashier's counter. He is required to keep it carefully and get it checked and verified at audit times. Let a member do it for 5 years. However obtuse, however slow, he will learn how to keep it safe and up-to-date; and the lesson learnt in respect of Pass-book will be carried to cover transactions with others in other fields of life. If many members have not formed the habit, it is less the fault of the system and more of the men behind. In this case it is of the Secretary himself, who seizes the Pass Book, hides it in his satchel to make entries at leisure. He consults his own convenience, but deprives the member of a valuable lesson. My friends as you go about visiting societies, watch this carefully and explain that the essence of the Pass Book lies as much in its "*custody*" as in the entries and amounts borne on it. If a member leaves a co-operative society after learning but this one lesson — (the lesson about the significance of receipts, their custody and care) he will have learnt a lesson worth writing in letters of gold; and it is a lesson, one of the many which a co-operative society teaches.

From members, committees and cashiers let me pass on to another class of co-operative students—the arbitrators—our Small Cause Courts in the mofussil. Their work gives them a useful training in the difficult art of settling disputes and administering simple justice *with the authority but without the air of a Civil Judge.*

These seekers after reality learn to separate facts from fictions *through touch and through talk*, and without settling in motion the elaborate machinery of the "Law of Evidence" with its highly corrupting influences. They give simple justice, it comes without ceremonies, unvarnished with stale authorities, untarnished with the tar of "catching and polling clerks," free from "Law's proverbial delays," cheap and speedy, unbruised by what Bacon calls the "Bushes of courts" where the sheep flies for defence and loses part of the fleece.

I do not wish to take more of your time now. It is impossible to explain exhaustively in one lecture the educative influence of a co-operative society in its various forms and types. There are one hundred and one ways in which a society affects the life of its members, shapes their thoughts, moulds their manners and mends their frames. Its influence on people is often compared to that exercised by the Church and the School. It is said to have driven home drastic discipline in curing drunkenness, healing idleness, encouraging industry and stimulating spirit of service. It has the force of what is described as "*copulate conjoined and collegiate custom* where example teacheth, emulation, quickeneth and company conferteth." It teaches one enough about the *action* of life and this learnt, we may not worry much about the philosophy of it.

APPOINTMENT AND TRAINING OF HONORARY ORGANIZERS*

With all co-operative organizations the aim is to train the members to manage their societies themselves. In co-operative banks ideally, management should be in the hands of the representatives of the primaries. Actually owing to the difficulty of finding suitable persons for this work, management is either in the hands of urban directors or of officials. It seems to me that difficulties notwithstanding, we ought to make an attempt towards training rural directors for higher management. Government have sanctioned the appointment of honorary organizers for the general object of assisting co-operative organizations and I have a grant for paying them travelling allowance. A beginning should now be made by appointing some directors who represent primary societies as honorary organizers for a small circle of, say, five or six societies of their neighbourhood. Training should be given to them so as to make them fit later on for undertaking the responsibility of management of the central bank. At the same time this training would be useful in enabling them to help and advise the societies in their charge.

2. The duties of honorary organizers may be divided into (i) training and helping of panchayats of societies in the proper discharge of their duties. (ii) helping central banks in the proper financing of societies, recovery of advances and where possible custody of bank's funds, and (iii) supervision over the work of the staff employed by the United Provinces Co-operative Union, Central Banks and societies.

3. For the adequate discharge of 2(i) the honorary organizer will attend as many monthly and panchayat meetings of societies as possible and guide deliberations at such meetings. His attitude will, however, be that of a friend helping his fellow co-operators. Among other things he may do the following:

* A recent circular issued by Mr. Vishnu Sahay, I.C.S., Registrar of Co-operative Societies, United Provinces.

- (a) Educate members in the proper exercise of their rights and discharge of their duties.
- (b) Train Panchayats in the manner of receiving loan applications from members, their scrutiny, sanction, fixation of instalments, taking of sureties, preparation of pronotes and determination of rates of interest.
- (c) Help societies in selection of members, their removal and expulsion and preparation of haisiyat statements.
- (d) Train societies in the preparation of applications for loans from the Central Bank.
- (e) Advise societies in the method of making inquiries into the utilization of loans, examination of the crops of members with a view to estimate repayments and granting of extensions and postponements, determination of the number of shares to be purchased by members and charging of penal interest.
- (f) Help societies in the preparation of arbitration papers, settlement of disputes and proper method of keeping accounts.
- (g) Inculcate habits of thrift, better farming, better living among members, discourage bad habits and help them in preparing suitable schemes for the purpose.

In short, the honorary organizer will work as the adviser of the societies in the proper discharge of their duties.

Besides helping individual societies as above, the honorary organizer will prove very useful at group conferences of societies and can help in the organization of new societies in the area, removal of local misconceptions, enlistment of sympathies of local gentlemen and settlement of disputes of members with mahajans and non-members.

4. The services of the honorary organizers will also be available to Central Banks for working as local directors and helping the managing director in the discharge of his heavy duties, specially in the following matters:

- (a) to see that societies are put to no inconvenience in their dealings with the Central Bank and to bring the grievances of societies to the notice of the bank for removal,
- (b) to help the bank in assessing credits of societies, scrutiny into their applications for loans, fixation of instalments and granting of postponements, and
- (c) in the case of selected honorary organizers, to work as the local agent of banks for the receipt and disbursement of moneys on behalf of banks and custody of cash.

An honorary organiser may also inspect a society whenever he wishes and see that the supervisor is discharging his duties properly and bring any case of neglect or irregularity to the notice of the United Provinces Co-operative Union through the bank.

6. The success of the scheme depends entirely on the proper selection of honorary organizers. Circle officers will, in consultation with managing directors, report for appointment suitable men to the assistant registrar and will also report the probable expenditure involved on each appointment. In the beginning circle offi-

cers will have to take round these honorary organizers on their inspection of the societies and will have to train them themselves.

7. The type of man wanted is not a man of high education but a practical and intelligent man of the superior peasant type.

CO-OPERATION AND INDIAN WOMEN

A question is often asked—what part women can play and should play in co-operation?

There are two sides of the question: (1) Social uplift and social service, (2) economic welfare. In the former sphere, women can do quite a good amount of work and in the latter they can, by promoting thrift and joining with men in credit and such other societies, bring about desirable changes.

In U. P. we have 21 societies with a total membership of 275 (1933-34) and there are 50 societies, not registered so far, which carry on work side by side with Thrift Societies. In the Punjab, in 1930, the number of societies for women was 134 and for children 8. The total membership of these two kinds of societies was 2,400 with a total working capital of over Rs. 103,100. In Travancore 29,000 were women members out of a total membership of 2,30,000. In Cochin, out of a total membership of 25,053, 1,411 are women. In Mysore, there are 15 societies exclusively organised for women and their total membership is 896 which is exclusive of those that have joined other societies in which men are in the majority. In Bengal and Bombay, too, there has been some work done among women.

The primary function of a co-operative society for women should be to infuse a new interest in life and bring to their knowledge the possibilities of better living. To be vital, the co-operative movement has to strike its roots deep, into the villages by destroying old superstitions and evil practices and put in new ideas,—modern, virile and national—as against old and parochial notions and out-looks.

In the first place, therefore, a women's co-operative society should aim at bringing together all women without distinction of caste or creed or religion. Then we have to give them instruction in hygiene, education, psychology and history.

We have to provide for them recreations like music, theatres and cinemas and even sports; we have to give them opportunities of meeting together and discussing topics of civic interest both relating to the village and to the country. Rural reconstruction can scarcely be broad-based unless life is made cheerful, healthy and useful. By building better homes we can have a better manhood and better homes will automatically follow when women are trained to a better way of life.

It is true, indeed, that women often act as a drag on men in introducing reforms. To quote an instance, Mrs. Amala Mukerji points out a case in village Hessel in the Ranchi District where the attendance of men at the meetings of the Welfare Society was poor and irregular as women discouraged them. The men wanted Mrs. Mukerji to convince their women-folk that village improvement work was really useful. Similarly, women were opposed to vaccination until it was brought home to them that it would save the lives of their babies. It can therefore be said, without fear of contradiction, that if women are tackled first on these matters, progress will be quick and well-founded.

Regarding the economic aspect, a Women's Co-operative Society can very usefully promote thrift and cut down unnecessary expenditure on marriage and on social and religious ceremonies. A significant example is quoted in the Annual report of the Co-operative Department of the United Provinces for 1933-34:—

"A group Conference was held at Lodipur Rajput (Moradabad) and attended by the Collector and several Directors of the Bank. The ladies patronised the show by turning up in large numbers. During the discussion, it was pointed out that it was no easy thing to reduce the expenditure on ornaments. Women had a fancy for them and once there was retrenchment members would run the risk of remaining unmarried or lose their wives thereafter. The ladies' retort was prompt and effective. They threw off their purdah and told the surprised gathering that they had never suspected that their ornaments were responsible for the financial troubles of their husbands. They had far greater love for them than for the ornaments they wore. They would discard them in future and urged those present to adopt the resolution. The proposition was carried amid acclamation, the clapping of the ladies being the loudest."

Next to thrift, if women take interest in co-operative stores and purchase articles which they require from them they would be able to make a large saving by buying cheap, and earn a good dividend. Evidence on this subject is not lacking. For example, there is a very good Store conducted by women located in the building of the Servants of India Society. Trivandrum store also deserves mention in this connection.

Thirdly, there is another sphere where we can introduce co-operation with certain results. We can introduce co-operation in such small industries where women predominate like lac collection, making of rope, twine, string and other fibres, food and fodder industries, rice pounding, husking and flour grinding, grain parching, embroidery, hat making and making of other articles, cotton ginning and pressing, basket-making, dairy and poultry and other similar industries. By forming co-operative societies for women in these industries we will be able to put them on a firm economic basis and at the same time increase their income to a considerable extent.

In conclusion, let me draw attention to the fact that broadly speaking 50 per cent. of the advancement of America is due to the active participation of women in all their national undertakings. We should thus understand that women have a distinct duty to perform in promoting national welfare. The only question is how to get them interested in these problems and not let them alone. Luck does not knock about loose in a work which aims at nothing short of raising the moral, material and intellectual well-being of women sunk deep in poverty, ignorance and conservatism. Co-operation cannot work miracles but it would soon come to stay as a potent constructive force. We have no reason to feel unduly pessimistic or gloomy for progress in these directions is always slow.

—(LADY KAILASH SRIVASTAVA in the United Provinces Co-operative Journal Tenth Anniversary Number, April 1935.)

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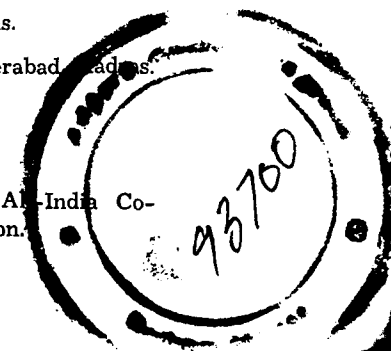
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THE MADRAS CO-OPERATIVE CENTRAL LAND MORTGAGE BANK, LTD.

Authorised Capital	} Rs.10,00,000.	Subscribed Capital	} Rs. 2,38,400.
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DEBENTURES.

(Guaranteed by the Government of Madras).

The Madras Co-operative Central Land Mortgage Bank, Ltd., the central financing bank for the Co-operative Land Mortgage Banks in the Madras Presidency, issues 20-year debentures, the principal whereof and the interest whereon are both guaranteed by the Government of Madras.

The Debentures are included in the list of Trustee Securities.

The funds of the bank are lent to the Primary Land Mortgage Banks which in their turn lend to their members on mortgage securities for a period of 20 years. The debenture-holders have a floating charge on the mortgages and other assets transferred by the Mortgage Banks. The Registrar of Co-operative Societies, Madras, is the Trustee for the debenture-holders.

For further particulars please apply to the Secretary of the bank.

(By Order)

Mount Road,
MADRAS.

N. S. KONETI RAU, B.A., B.L.,
Secretary.

THE SOUTH INDIA CO-OPERATIVE INSURANCE SOCIETY LTD.

Head Office :—MADRAS.

(Registered under the Co-operative Societies Act.)

The first of its kind in South India—Offers all that is best in Life Assurance—Maximum privileges to Policyholders—Premium Rates very low—Policies ranging from Rs. 100 to Rs. 5,000.

Safe Investment of Funds.

Management, Efficient and Economic.

Progress during the last three years.

Year.	New Business.
1932-33	.. 6,33,500
1933-34	.. 6,66,850
1934-35	.. 8,62,350
Total	.. 21,62,700

President :—V. RAMADAS PANTULU.

For further particulars apply to :—

THE SECRETARY, Post Box 182, Madras.

BIHAR & ORISSA PROVINCIAL CO-OPERATIVE BANK, LTD., PATNA.

(Established 1914.)

(Registered under the Co-operative Societies Act II of 1912.)

	Rs.
Paid up share capital	.. 6,11,200
Reserve Liability on shares	.. 12,66,800
Statutory and other Reserves	.. 5,97,000
Investment in Government Securities	.. 41,38,000

WORKING CAPITAL EXCEEDS Rs. 1,10,00,000

Fixed, current and savings deposits accepted.

Bills collected and drafts issued on all important towns in Bihar and Orissa.

Rules on application to the Secretary.

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**THE MADRAS PROVINCIAL CO-OPERATIVE
BANK, LTD.**

(Registered under Madras Act VI of 1932, Formerly Act II of 1912)

Head Office : Post Box No. 607, Luz, Mylapore,
Phone No. 2390.

Town Branch : 117, Armenian St., George Town,
Madras, Phone No. 3334.

The Bank is the chief organisation for providing
credit to the agriculturists of the Province.

The above Bank acts as Bankers to the Madras
Corporation, University of Madras, Andhra University,
Annamalai University and the various Local Boards
and District Municipalities.

For rules and terms of business, apply to :—

**THE SECRETARY,
THE MADRAS PROVINCIAL CO-OPERATIVE
BANK, LTD.,
LUZ, MYLAPORE, MADRAS.**

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