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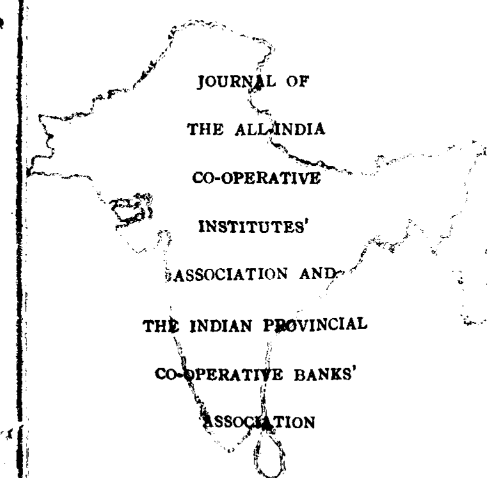
The INDIAN CO-OPERATIVE REVIEW



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THE INDIAN CO-OPERATIVE REVIEW

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THE INDIAN CO-OPERATIVE REVIEW

VOL. X JANUARY—MARCH, 1944 No. 1

EDITORIAL NOTES

THE LATE HON'BLE MR. V. RAMADAS PANTULU

The accredited leader of the Indian Co-operative Movement, the Hon'ble Mr. V. Ramadas Pantulu, passed away peacefully in his residence at Madras in the early hours of the 16th March 1944. In his death the co-operators of India have lost their friend, philosopher and guide and the *Indian Co-operative Review* its very soul. He took ill in train in January 1941 while returning from Bombay after attending the meeting of the Standing Committees of the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association. Ever since that time he was practically confined to his residence and had to retire from all public activities. Though his physical strength was gradually declining his mental energies were as keen as ever till the last, and he spent every minute of his wakeful hours in the cause of co-operation. The *Indian Co-operative Review* and the *Year-Book and Directory of Indian Co-operation* gave him the necessary interest in life during his last days. At the last meeting of the Standing Committees of the Institutes' and the Banks' Associations held at Madras in his residence he announced his desire to gift a portion of his residence to the Indian Co-operative Movement where he wanted that an Institute of Co-operative Research and Service, on the lines of the Horace Plunkett Foundation in London, should be started and he fondly hoped to live to see it started. He was dreaming of post-war problems and the very important role that co-operative principles will play in the post-war reconstruction of socio-economic life in India. He was fondly hoping that the co-operative blue-prints of post-war reconstruction of India would be prepared in this Institute which he wanted to start. Alas! He is no more to do all these himself. There are eminent co-operators in India who had been associated with him for many years and we appeal to them to put into immediate effect the cherished desires of their accredited leader.

Immediately on his demise as the materials for the current issue of the Review were about to go into print we were asked to bring out the issue by Khan Mohammad Bashir Ahmad Khan, Hony. Secretary of the All-India Co-operative Institutes' Association, pending permanent arrangements. Though we feel sure that we are not equal to the task, the desire that the life breath of the Hon'ble Mr. Ramadas Pantulu in the shape of the *Indian Co-operative Review* should continue to function without interruption, has given us the necessary courage and inspiration to shoulder in all humility the onerous responsibility. We are always prepared to take up any responsibility which may further the cause for which the late Hon'ble Mr. Ramadas Pantulu lived and died. We are sure that the members of the Standing Committees at their ensuing meeting at Bombay will give their best consideration to the two very important items, namely, the starting of the Research Institute at Madras and the publication of the *Indian Co-operative Review* as one of the main activities of the Institute.

INDIAN INSTITUTE OF CO-OPERATIVE RESEARCH AND SERVICE

It was the ardent desire of the late Mr. V. Ramadas Pantulu to see in his life time the creation of an All-India Institute of Co-operative Research and Service which will render to India the service that the great Horace Plunkett Foundation in London has been rendering for well nigh two decades to co-operators in the British Isles (in particular) and to English-speaking co-operative visitors. He outlined the aims and methods of work and the ways and means of its maintenance in the October-December, 1943 issue of the *Indian Co-operative Review*. It was his desire to see it started and run in the premises he had occupied himself all the time he was an active co-operator. He made a gift of the building and announced it in his address to the members of the Standing Committees of the two All-India Co-operative Associations who kindly met in that very premises last year (April, 1943). It was in this very building that the *Indian Co-operative Review* had its birth, as well as its conception, and it was here that he was editing the Review from its inception until the moment of his death. It is but natural that he should wish the building to be dedicated to the cause of the Co-operative Movement in India. But he wanted not only the *Indian Co-operative Review* office to be continued here but to see an Institute of Co-operative Research and Service flourishing here which should :

(i) serve as a bureau of information with an up-to-date library on Co-operation—the nucleus of which he had left,

(ii) provide facilities for research on the methods and principles of Co-operation,

(iii) stimulate investigation into the causes of failure and chances of success of co-operative institutions of particular types in India, based on a sound knowledge of rural economics and industrial organisation,

(iv) train a band of co-operative workers, men and women, who will dedicate their lives to the cause, and

(v) undertake the publication of an Year-Book of Co-operation in India and of any other co-operative literature which would be of more than local interest.

It might be possible, in course of time, to make the Institute pay its way by the sale of publications, subscriptions for the Review, the levy of fees for research students and trainees. But that will not be in the near future. For a long time to come, the Institute will have to depend on contributions from the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association and some flourishing co-operative institutions in the country. Lump-sum donations from co-operators of affluence will be most welcome. The Central Government and the Provincial and States' Governments in India may be approached for grants, but without any condition involving interference with the policy and administration of the Institute. Mr. Pantulu had no mis-givings as regards the flow of funds necessary for running the Institute, if only the All-India Co-operative Institutes' Association approached co-operators and co-operative bodies with a regular plan and programme of work, as he himself hoped to do, health permitting.

There may be objection to the location of an All-India Institute at Madras, which is in a corner of India. We trust that this will not be considered as a serious objection. Apart from considerations of sentiment due to the late leader and to the fact that Madras is the birth place of the modern co-operative movement, Sir F. Nicholson having been its father, we wish to point out that Madras is the headquarters of a number of types of flourishing federal co-operative institutions whose working has been the subject of study by visitors from the rest of India—the Madras Provincial Co-operative Bank, the Madras Co-operative Central Land Mortgage Bank, the South India Co-operative Insurance Society, the Madras Handloom Weavers' Provincial Co-operative Society, the Madras Provincial Co-operative Marketing Society and the premier co-operative store, the Triplicane Urban Co-operative Society. The Central Co-operative Printing Works is a growing co-operative press.

In fact, Madras is famous (rather notorious) for the cheapness and efficiency of printing and for clerical service. The *Indian Co-operative Review* may have its Editor anywhere in India, but it is possible to have it printed in Madras with a small local committee.

Nothing will indeed please the soul of the departed co-operative leader than the functioning of an All-India Institute of Co-operative Research and Service at Madras.

DEVELOPMENT OF HANDLOOM WEAVING INDUSTRY

Rao Bahadur K. S. Rao in his article on 'Cotton Mills and Handlooms', published elsewhere in this issue, suggests that if the handloom weaver is to be prosperous and the handloom industry is to thrive the problem of supply of yarn to the handloom weaver at a competitive rate should be tackled and in that direction he suggests that the mills should directly supply yarn to the handloom weavers eliminating the middlemen and making the margin between the cost of yarn and the price of the finished products attractive enough. The mills can supply yarn to the handloom weaver on a satisfactory basis only when they themselves do not have weaving sections. At least some of the Government managed mills can take the lead in that direction. In this connection we invite the attention of our readers to the editorial comment on page 6 of January-March, 1943 issue of this Review. When the handloom weaver is assured of the regular supply of yarn at a cheap rate and if he is also made to feel that there will be a good market for his finished products, the handloom industry will certainly thrive. Direct supply of yarn by the mills alone will not solve the problem. It may not also be possible for the mills to directly transact business with weavers in each district. If handloom weaving industry should be developed on a large scale, careful planning and effective organisation are necessary. A Provincial Co-operative Organisation, like the one now functioning in Madras, should organise both the supply of yarn and the marketing of the finished products in each of the provinces and states. It must assure the weaver that he will not be exploited by either the mills or the middlemen. A Provincial Organisation will be able to exercise more vigilence over the quality and price of yarn which an individual weaver may not be able to do. It can also look to the other aspects of the industry like assistance to handloom weavers in obtaining dyes, chemicals, stores, etc., at fair rates, conducting research and considering other measures to improve production in all directions. All the weavers, whether members or not of the local weavers' society, should be contacted. If sufficient inducement, like payment of bonus on transactions, is held out, all the weavers will, in course of time, enlist themselves as members and the handloom industry can be developed on sound lines on a co-operative basis.

AGAINST WOMEN

Mrs. Blackwell of Oxford had put £103 as savings into the local co-operative society. When she and her husband separated, the latter claimed this money on the ground that it had been saved out of Mrs. Blackwell's house-keeping allowance or from taking lodgers in their house of which he paid the rent. The co-operative society held by its rule that it can only pay out money to the person who deposits it. The husband went to law and the Oxford Court decided that if a wife was able to save money from her house-keeping, this money belonged to the husband as did savings made from lodgers because the husband provided the accommodation. Mrs. Blackwell appealed to the High Court in England. The three judges who heard the appeal upheld the decision of the Oxford Court and the appeal was dismissed. In dismissing the appeal the learned judges observed that if a wife can save what she likes from her house-keeping allowance, she may well feed her husband on corned beef instead of fresh and more expensive meat. She might underfeed her family so that she could save something for herself.

The woman lawyers who appeared for Mrs. Blackwell contended that in most cases of savings, and most certainly where it is a question of taking lodgers, a wife can save because she does extra work herself doing or making things in the home that she could have done or made outside at extra cost. But the appellate judges did not accept this contention. The Information Bulletin of the International Co-operative Women's Guild for November, 1943 commenting on this decision observed that some of the reasons put forward by the learned judges were astonishingly naive and proceeded to say "The whole case shows very plainly that there is in fact no economic equality for the housewife and how important it is to get the law altered. If every penny she receives from her husband remains in fact his property something must be done to give her an income of her own. Her labour of love saves the community millions; the community must recognise this and ensure her a just reward."

We desire to draw the attention of the Committee constituted with Sir B. N. Roy as President to consider the question of Hindu Women's rights on property with a view to introduce suitable legislation to alter the Hindu Law if necessary. Whatever may be the British Women's rights in such savings, the question of the right of Hindu women and Mohammadan women in India on savings of similar nature requires a thorough consideration. Non-official and official co-operators in every province and state realise the need to bring women in larger numbers into the co-operative fold. Women are considered to be very good at household marketing in the West and purchases in consumers' co-operative stores are made largely by the housewives. A similar line of development in India will greatly help the spread of consumers' movement. If in such cases the woman gets an allowance from her husband for household expenses and she can save something out of that by prudent management and discreet purchasing and does many things herself without extra cost to the family and deposits the savings in a co-operative society, should she have or not the benefit of such savings? This is a question of some interest to co-operators in India.

UNFORESEEN ATTENUATION

There has been considerable delay in the publication of this issue of the Review owing to the sudden demise of the late Editor, the Hon'ble Mr. V. Ramadas Pantulu. Further, when 56 pages of this issue were actually printed our attention was drawn to the Paper Control (Economy) Order, 1944, which restricts the use of paper to one-third of the quantity consumed in the previous year. After having been assured that we can publish the matter that was actually printed before the publication of the Order, we are able to release this issue. We have, however, addressed the Central Government seeking exemption from the operation of the provisions of the Order for the publication of the Review as usual in view of its being the only All-India Co-operative Journal dealing with topics of national importance.

IN MEMORIAM

THE LATE HON'BLE MR. V. RAMADAS PANTULU

The late Mr. Ramadas Pantulu was born in October 1873. He was educated at the Madras Christian College. He practised as a lawyer at Masulipatam and at Madras. He was a member of the Council of State and was the Leader of the Congress Party in that body. He was one of the pioneers of the Co-operative Movement in the Presidency. Mr. Pantulu was a Member of the Central Committee of the International Co-operative Alliance, London. He was the President of the Indian Provincial Co-operative Banks' Association and the All-India Co-operative Institutes' Association. He was the Editor of the *Indian Co-operative Review*, and the *Year-Book and Directory of Indian Co-operation* (1942). He was President of the Madras Provincial Co-operative Bank from 1926 to May 1941. He was President of the Madras Provincial Co-operative Union from 1926 to December 1940. From January 1932 to August 1941, he was the President of the South India Co-operative Insurance Society.

The late Mr. Pantulu was a Member of the Indian Central Banking Enquiry Committee, and the Townsend Committee on Co-operation Madras, in 1927. In 1939-40, he was a Member of the Committee on Co-operation, Madras.

He was the Chairman of the Board of Experts appointed by the Congress Government for the Rehabilitation of the Co-operative Movement in Bihar. In 1934 he was a delegate from India to the 14th Session of the International Co-operative Congress in London. He was a Member of the Indian Central Cotton Committee, and Chairman of the Rural Finance and Marketing Sub-Committee of the National Planning Committee. He was the President of the Andhra Provincial Board of the Harijan Sevak Sangh and also the Vice-President of the Madras Economic Association.

The late Mr. Pantulu was a Member of the Governing Body of the Indian Research Fund Association. He was a Member of the Senate and Academic Council of the Madras University and was Chairman of the Board of Studies in Telugu for several years. He was a Member of the Court of the Delhi University for some time.

He was the author of Commentaries on the Madras Estates Land Act (Land Tenures in Madras).

MESSAGES RECEIVED FROM SOME PROMINENT CO-OPERATORS

H. L. Kaji, I.E.S. (Retd.), *Vice-President, All-India Co-operative Institutes' Association.*

The Hon'ble Mr. V. Ramadas Pantulu died on the 16th March 1944. To co-operators all over India, and more particularly to co-operators in Madras, the passing away of this Grand Old Man of Indian Co-operation was a very great shock indeed. Mr. Pantulu had been ailing for some time past and those, who attended the Joint Meeting in April 1943 of the Standing Committees of the two All-India Co-operative Associations, had realised that he would not be long with them. And yet, none was prepared for the painful news, flashed along the wires by the Associated Press on the 16th March.

Mr. Ramadas was our acknowledged leader in Co-operation. His enthusiasm exalted us, his energy astounded us, his abiding faith vitalised us, his vast knowledge amazed us and his deep study stimulated us. The greatness of the sincere worker impressed all who worked with him but the goodness of the co-operator captured the hearts and cast a spell on all those, who saw him. His passing away has left a void in our ranks and a greater void in our hearts, which it will be very difficult to fill. He has joined the ranks of the great Co-operators of the past, whose life and acts have laid their permanent impress on the Movement, and like Sir Vithaldas Thackersey, Sir Lallubhai Samaldas and Mr. G. K. Devadhar, he becomes now a memory, an ideal of a true Co-operator, great and good, earnest and true, humane and humble, honoured and honourable, continuing to inspire, enthuse and guide the workers in the cause to which he dedicated his life.

Mr. Ramadas was a distinguished Advocate of the Madras High Court, where he laboured to much useful purpose winning both wealth and reputation. His skilful advocacy of the causes of the oppressed and downtrodden in the courts of justice led him on to the advocacy of similar causes before the tribunal of public opinion and the powers that be. He joined the Congress Party and became the distinguished leader of that Party in the Council of State. The plight of the Harijans evoked his sympathies and he worked as the President of the Andhra Provincial Harijan Sevak Sangh. Though he was himself one of the urban intelligentsia, the cause of the ignorant and indebted rural worker—the agriculturist—appealed to him with irresistible fervour so that as years passed, the courts and the council ceased to attract him and he found himself ever more drawn to the Co-operative Movement, wherein alone he saw the only just and fair ordering of society. The "isms" had no illusions for him. Exploitations, aggressions, cut-throat competitions left him aghast and he saw in Co-operation—not rural, not Indian but world-wide— the only basis for a post-war reconstruction that shall rescue the world from the recurring nightmares of catastrophic armed conflagrations and secure peace and justice, international amity and concord, and the four freedoms which alone can make life worth living.

Mr. Pantulu dominated the Co-operative Movement in Madras for over twenty years. Registrars came and went, but Mr. Pantulu remained the firm pivotal force as President of the Madras Provincial Co-operative Union and President of the Madras Provincial Co-operative Bank. Following the example of Bombay, he gave to Madras, the South India Co-operative Insurance Society, which he guided to success for about 10 years. He was the first to conceive the idea of All-India Co-operative Associations and with characteristic energy he pursued his goal. He won over the good will of Sir Lallubhai Samaldas and the two All-India Associations —one for the Institutes and the other for the Provincial Banks, came into being in 1930. He even pursued the idea further for a Central All-India Association for Co-operative Insurance Societies, which had sprung up, besides Bombay and Madras, in Bengal, Indore and Travancore. But the weaknesses of the latter Societies and the individual strength of the former two did not enable the realisation of this idea. After Sir Lallubhai's retirement, Mr. Pantulu became the acknowledged leader of Co-operation in India and represented the Indian Associations at the International Co-operative Congress in 1934 and on the Central Committee of the International Co-operative Alliance, London. He was naturally the directing force in the Madras Committees on Co-operation in 1927 and 1939-40 and was requisitioned for the rehabilitation of the Movement in Bihar.

As chairman of the Rural Finance and Marketing Sub-Committee of the National Planning Committee and more particularly as member of the Indian Central Banking Inquiry Committee, Mr. Pantulu rendered very important services to the cause of rural development in India. As President of the All-India Co-operative Associations, Mr. V. Ramadas Pantulu laboured to good purpose indeed. His speeches at the Conferences and Joint Meetings of the Standing Committees and his editing of the *Indian Co-operative Review* and the *Year-Book and Directory of Indian Co-operation* have been notable contributions indeed.

Born in 1873, Mr. Pantulu died in 1944 at the age of 71 years, just going beyond the psalmists' allotted span of three score and ten. A life of success and of service, of ideas and ideals, of effort and of realisation, is a life spent not in vain. May the soul of our beloved leader find peace and quiet, and the co-operative ordering in the realms above, which he strove for on this earth and may he and his work continue to be the source of inspiration for us, his fellow workers, in the cause.

DEWAN BAHADUR K. V. BRAHMA, C.I.E., M.B.E., *Vice-President, All-India Co-operative Institutes' Association.*

The loss of the Hon'ble Mr. V. Ramadas Pantulu is an irreparable loss to the Co-operative Movement in India. Mr. Pantulu was a tower of strength to the Movement. His knowledge, his activity and above all his desire to improve the Movement in all its branches was phenominal. It is difficult to find so able and so willing a worker to take up Mr. Pantulu's place. Over and above his devotion to duty and his earnestness, he possessed the rare quality of bringing men together. The All-India Co-operative Institutes' Association and the *Indian Co-operative Review* are standing monuments of his love for the Co-operative Movement in India. May his soul rest in peace and may his memory serve to enlighten us to improve the Movement from point to point for the benefit of poor India.

Sir M. G. DESHPANDE, K.B.E., *Vice-President, Indian Provincial Co-operative Banks' Association.*

I associate myself with those numerous friends and sympathisers in India and abroad who feel that in the death of the late Hon'ble Mr. V. Ramadas Pantulu we have lost a prominent leader of Indian Co-operation. Late Mr. Pantulu was a real patriot and though the best part of his life was dedicated to co-operation, his sympathies were the most catholic. His wide study, critical acumen, his selfless devotion to the cause of the agriculturists, his untiring zeal and deep insight into economic problems including those pertaining to banking and Co-operation marked him out as an outstanding personality. In whichever sphere he worked, he never failed to impress or inspire those who had a mind to learn. Though endowed with qualities of leadership, he possessed charity of mind which commanded respect from those who had the good fortune to work with him. His was a life of unremitting toil in the interest of the teeming millions of India. I had myself the good fortune of coming in personal contact with him as a member of the Standing Committee of the Indian Provincial Co-operative Banks' Association for a number of years, and I can say with confidence that his coadjutors were always eager to listen to his authoritative opinion on matters that ordinarily defied solution. He has made a very valuable contribution to the Co-operative Movement and by his passing away, the Movement has sustained an irreparable loss. His last act that deserves mention is dedication of a portion of his house in Mylapore to the Institute of Co-operative Research and Service and it is hoped that the co-operative institute, the constitution of which he so devoutly wished, becomes an accomplished fact in the near future. Mr. Pantulu would have been of invaluable help in the matter of post-war reconstruction; and therefore his loss at this juncture is being most keenly felt all over India. I wish one of us possessed of equal ability and industry steps into his shoes and completes the task left unfinished by late Mr. Pantulu. In particular, the mantle of editorship of *Indian Co-operative Review* has fallen on the shoulders of Mr. V. Venkatachalam, M.A., B.L., and I think no better choice could be conceived under the circumstances.

In the end I offer my sincere condolences to Mr. Pantulu's bereaved family and wish a restful peace to the departed soul.

KHAN MOHAMMAD BASHIR AHMAD KHAN, M.A., LL.B., M.R.A.S. (LONDON),
Honorary Secretary, All-India Co-operative Institutes' Association.

"I would be true, for there are those who trust me;
I would be pure, for there are those who care;
I would be strong, for there is much to suffer;
I would be brave for there is much to dare;

I would be friend of all—the foe—the friendless;
I would be giving and forget the gift;
I would be humble, for I know my weakness;
I would look up—and laugh—and—love—and lift."

—*Howard Arnold Walter.*

The Co-operative Movement in India has suffered an irreparable loss by the death of the Hon'ble Mr. V. Ramadas Pantulu, President, All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association. Mr. Ramadas Pantulu was the greatest and the most revered leader of the Co-operative Movement in this country. Co-operation was a religion with him, and he lived for it, worked for it and died for it.

I had the honour and privilege to be associated with him very closely for about 20 years. It was a real pleasure and a joy to work with him. His undying faith in the co-operative movement encouraged us when we were down-trodden; his deep study enlightened us when we were groping in the dark; his hard work day and night forced us to follow in his footsteps even when tired; his unbounded enthusiasm infused fresh life in us; and his ripe experience enabled us to overcome insurmountable difficulties in our way. His pleasant and unassuming manners, his smiling welcome at all hours of the day and night and his ever-readiness to help the weak and the poor endeared him to all who came in contact with him. He was a staunch supporter of the democratic character of the Co-operative Movement and gave expression to his views on many an occasion in a forceful language.

His magnificent donation of a Co-operative Hall is a standing testimony of his abiding faith and life-long interest in the Co-operative Movement. At the time of the dedication of this Hall in April 1943, he said: "Before I conclude, I desire to convey to you a personal desire of mine. I am anxious that the tradition of co-operative activities which are associated for the last two decades with this Hall in which we have met to-day should not terminate with my life. The *Indian Co-operative Review* had its birth here a little over eight years ago. Nothing can give me greater satisfaction than the thought that this work continues to be carried on in this Hall, which I now dedicate to the Indian Co-operative Movement, with a request to you as representatives of the Movement to accept this small gift as a humble token of my love for the Movement. Such library as I have, which is not on view here to-day, goes with it. As soon as convenient I shall execute a trust deed to clothe the gift with legal validity. I do so in the hope that this Hall will be a true temple of Co-operation into the portals of which class antagonism, sectarianism, communalism, party spirit and factious strife shall have no entry. Let us convert every one of our co-operative institutions into a temple of Akbar's dream and instal Co-operation in it.

"A temple, neither Pagoda, Mosque nor Church,
But loftier, simpler, always open-door'd
To every breath from heaven, and Truth and Peace
And Love and Justice came and dwelt therein."

The name of Mr. Ramadas Pantulu was known and respected not only throughout India but also in all foreign countries wherever the Co-operative Movement exists. His utterances always helped to reinforce the faith of the co-operators in the Co-operative Movement as a world force and in its potentialities in post-war economic and social reconstruction.

He was in the real sense of the term a friend, philosopher and guide of the Co-operative Movement. In the words of an eminent author "he lived like a soldier, worked like a hero and died like a martyr." I have every hope that co-operators in India and abroad will not fail in their duty to perpetuate his memory by raising a suitable memorial to him.

MUL RAJ BHAI, B.A., *Hony. Secretary, Indian Provincial Co-operative Banks' Association.*

The death of the Hon'ble Mr. V. Ramadas Pantulu has created a void in the Co-operative Movement which it is not easy to fill. Mr. Pantulu occupied the foremost position among the accredited leaders of the Movement for a generation's time. He had an apostolic faith in the Movement as an instrument for removing the poverty of the masses of the country. Towards that end Mr. Pantulu had worked for the greater part of his life. He had acquired an unrivalled experience and international reputation and to-day when the economists and the industrialists are thinking and planning mostly in terms of post-war reconstruction, a leader and a worker like Mr. Pantulu would have been of invaluable service to the cause of economic regeneration of the country in general and the Co-operative Movement in particular.

Any one acquainted with the career of Mr. Pantulu knows fully well that he was a patriot of an eminent position and he loved the Movement because he loved his country. His recent munificent gift of a hall and a valuable library to the Indian Co-operative Movement, shows how sincerely and intensely he loved the cause and his country. Mr. Pantulu was an honest and selfless worker endowed with deep wisdom and an unshakable constancy. He was never pessimistic about the future of the Movement and never agreed with those who held the view that its success is problematic. He, of course, believed that by reconstitution and reconstruction its shortcomings could be taken away and its progress accelerated.

In paying my humble tribute to the great departed leader, I wish that a befitting memorial may soon be raised in his memory.

VAIKUNTH L. MEHTA, *Managing Director, Bombay Provincial Co-operative Bank.*

During these last forty years the Co-operative Movement in India has scarcely had a leader of the eminence and ability of the late Hon'ble Mr. V. Ramadas Pantulu. It was somewhat late in his life that he became an active co-operator, with his election to the chairmanship of the Madras Provincial Co-operative Bank. Since then, all these years he maintained, whether in or out of office, a pre-eminent position in the co-operative world of India. He was, besides, the first Indian co-operator to win international repute. For years he was the accredited and recognized spokesman of the Co-operative Movement among legislators, administrators, educationists, journalists and the public at large. That he filled this role with distinction and dignity was another of his claim to greatness.

It is difficult to single out one among the numerous services rendered by Mr. Pantulu to the Co-operative Movement as more valuable than the rest. His work as a member of the Indian Central Banking Inquiry Committee should, however, earn for him the gratitude of co-operators for all time to come because of the invaluable contribution he made towards the final conclusions of the Committee on matters directly or even remotely connected with the Co-operative Movement. The ability and single-mindedness with which he pleaded the cause of the Movement led a Committee on which he had only one other co-operator—namely, Mr. G. K. Devadhar—to help him to influence his other colleagues to such an extent as to induce them to accept the view that co-operative banking was the credit agency most suited for providing the credit needs of large sections of the community such as peasant proprietors, artisans, petty tradesmen or small wage-earners. Equally noteworthy was his advocacy of the cause of Co-operation in the Central Legislature, particularly, in connection with the Joint Select Committee on the Reserve Bank of India Bill. It is a great pity that his unrivalled knowledge of the needs of the movement and its role in Indian banking development were subsequently not utilized by seeking his association with the Central Board of that Bank.

Busy as he always was with his public activities—he was one of the few public men of standing whom the Movement could claim as its adherent—Mr. Pantulu had not the inclination to shine as a social figure. But during his active association with the Movement he established contacts with workers all over the country and tried to maintain these contacts by correspondence and by personal interviews when he happened to go round the

country. His advice and guidance were sought not only by non-official co-operators but also by Registrars of Co-operative Societies and by the Central and Provincial Governments. He had a deep understanding of the principles of the Movement and a quick and keen grasp of its requirements. In his study of theory and practice he was probably without a peer. Added to his broad outlook, were a clear-sighted preception of the intricacies and difficulties involved in practical working and a shrewd knowledge of men and affairs—so that we had in Mr. Pantulu a combination of all those qualities which go to make a great leader. He possessed, moreover, a sense of humour and an appreciation of human frailities which made him a colleague, to work with whom was both a pleasure and a privilege.

R. G. SARAIYA, *Chairman, Bombay Co-operative Banks' Association.*

The *Indian Co-operative Review* has suffered a serious loss in the demise of its late Editor the Hon'ble Mr. V. Ramadas Pantulu. The loss is not the loss of the *Indian Co-operative Review* only, but the loss of all Co-operative Institutions throughout the length and breadth of India.

The Hon'ble Mr. V. Ramadas Pantulu was a pillar of the Co-operative Movement. He was also its inspirer. Perhaps the best tribute that the *Indian Co-operative Review* can pay to his memory will be to continue the high traditions of co-operative scholarship and co-operative faith which inspired its Founder.

RAI SANATKUMAR CHATTERJI BAHADUR, *Managing Director, Bengal Provincial Co-operative Bank.*

Both on my behalf as well as on behalf of the Co-operators of Bengal, I put on record my sincerest tribute to the first Co-operator in India and our revered leader the late Hon'ble Mr. V. Ramadas Pantulu. I had the privilege of knowing him very closely for the last 15 years and I have always looked up to him as my *Guru* in all matters relating to Co-operation.

In him India has lost a noble son, the poor cultivators have lost their sincerest friend, men of moderate means their true guide who could direct them to tide over their greatest difficulties by presenting a common front through Co-operation which transcends all religion, caste, creed or nationality.

V. M. THAKORE, B. COM., *Offg. Managing Director, Bihar Provincial Co-operative Bank.*

In the death of the Hon'ble Mr. V. Ramadas Pantulu the Co-operative Movement in India in general and in Bihar in particular has lost a true friend and an experienced and reliable guide. The Co-operative Movement in Bihar owes him a deep debt of gratitude for his close examination, clear analysis and correct guidance in the preparation and launching of the scheme of reconstruction which is estimated to cost the Bihar Government a sum of Rs. 67,00,000 and which is calculated to rehabilitate the Co-operative Movement in Bihar. From 1937 to 1939 the Hon'ble Mr. V. Ramadas Pantulu paid several visits to Bihar in connection with this scheme. The last of his visits was as President of the Board of Experts set up by the Local Government to examine in detail and advise Government on the scheme.

The Hon'ble Mr. V. Ramadas Pantulu was elected President of the Indian Provincial Co-operative Banks' Association at Simla in 1928. From that year I had the honour of working in close co-operation with him as Honorary Secretary of that Association till the year 1942. The Association entirely owes its origin, present strength and utility to the Hon'ble Mr. V. Ramadas Pantulu and the band of active co-operative workers he could collect round him. Mr. Pantulu was appointed a member of the Indian Central Banking Inquiry Committee and to my knowledge he was responsible for the important place occupied by rural credit in the recommendations of that Committee and the chapters on this important subject were mostly drafted by him and accepted by the Committee. On the Committee of the Central Legislature appointed to examine the provisions of the Reserve Bank Act he served with distinction and credit and safeguarded the interests of co-operative banks. As President of the Indian Provincial Banks' Association he successfully argued the case of Provincial Banks in the matter of assessment of income and super-tax before the Board of Revenue and he was successful in securing valuable concessions. He was always vigilent in safeguarding the interests of rural credit and the Co-operative Movement and he succeeded in securing an honoured place for the Movement in the rural economy of the country. Although his faith in the Movement was unshaken in spite of severe adverses he could also recognise at the same time the limitations of the Movement and suggested remedies for the removal of its outstanding defects. His unflinching faith and devotion to the cause of Co-operation combined with his sympathy and complete understanding and clear analysis at once made him an authority on all problems affecting the Movement in all parts of the country. All provinces turned to him without hesitation for guidance in all problems affecting the Movement in their parts and were sure of and invariably received sound advice and guidance. His sacrifice of time, money and health for the Movement was exemplary and his kindly disposition and gentle habits ingratiated him wherever he went. In the field of Co-operation he has left a deep impression which will remain as his reminder for several decades to come. May his soul rest in peace.

RAO BAHADUR B. MUKHERJEE, M.A., *Editor, United Provinces Co-operative Journal.*

The death of the Hon'ble Mr. V. Ramadas Pantulu has been a serious loss to the Co-operative Movement in India. India is distinctly poorer to-day by his death. He was one of our greatest experts on Co-operation and, no wonder, he was held in high esteem throughout the country. He had a long career of public service and his death has left a vacuum that will be difficult to fill. His unrivalled knowledge, great experience and independent judgment would all have been of invaluable help to India in the post-war period of reconstruction. It is very unfortunate that we are now deprived of his valuable leadership in the rehabilitation of the Co-operative Movement after the war. He had an incisive mind, a clear brain with a warm and generous heart. His interests were varied in life; but of all his multifarious interests, Co-operation was easily the first. It is really a great misfortune for the country that he is no longer with us.

M. A. GOPALASWAMY IYENGAR, M.A., B.L. BANGALORE.

It was about ten years ago that I came in contact with the late Mr. Ramadas Pantulu. I was greatly impressed with his sincere devotion to the cause of Co-operation and his wide knowledge and experience of the Movement.

Among his distinguished services to the cause of Co-operation, two deserve special mention. He was one of those who were responsible for placing the Co-operative Movement on an All-India basis and ushering into existence the Indian Provincial Co-operative Banks' Association and the All-India Co-operative Institutes' Association. And secondly, he played no small part in the task of democratisation of the Movement in India. He spared no pains to check the growing officialisation of the Movement and to place it on a genuine popular basis.

Mr. Pantulu was held in such high esteem and regard that several Provinces and States invited him to preside over their co-operative conferences. And Mysore was one of the first States to avail itself of his guidance and inspiration. He presided over the first conference of the Directors of Co-operative Societies in the city of Bangalore in July, 1935, and again in October, 1942, over the 29th Mysore Provincial Co-operative Conference.

Mr. Pantulu has gone ; but to the co-operators of India his memory and inspiration continue fresh and living.

KHAN SAHIB W. ZAMAN, B.L., M.L.C.; *Hony. Joint Secretary, Indian Provincial Co-operative Banks' Association.*

The passing away of the Hon. Mr. V. Ramadas Pantulu is a great calamity not merely to the Co-operative Movement in India with which he was deeply concerned throughout his life but also to India's Nationalist Movement which loses one of its most vigorous personalities. Mr. Pantulu firmly believed that the amelioration of the sufferings of the people of this country lies in the proper application of the co-operative principles for which he devoted all his energies till his death. He was a keen debater and an outspoken critic of the administration whenever he felt its actions and policies were not conducive to the betterment of the people. Co-operators of Bengal will always remember Mr. Ramadas Pantulu as their best philosopher and guide.

Dr. P. GURUMURTY, *Member, Standing Committee of the All-India Co-operative Institutes' Association.*

In the sad demise of the Hon'ble Mr. V. Ramadas Pantulu, the country has lost a patriot and the Co-operators their valued friend, philosopher and guide. It is an irreparable loss and it will not be an easy task to find a worthy successor for him. Mr. Pantulu is dead physically; but he lives eternally through his work and through his munificent gift to the Indian Co-operative Movement.

K. C. RAMAKRISHNAN, M.A., *Lecturer in Economics, Agricultural College, Coimbatore.*

We are all distressed at the death of the great co-operative leader, Mr.V. Ramadas Pantulu. But we cannot say that we are quite shocked by it. I was in fact wondering how he managed to survive so much of self-imposed mental strain in addition to the inevitable physical strain brought about by a fell disease for three years. The secret of his mental alertness up to the moment of his death lay in the enthusiasm he had for the cause of Co-operation for which he had, unwittingly at first and deliberately later on, sacrificed his lucrative practice at the bar. We have had many eminent co-operators in India, but few had been keeping their knowledge of the Movement at home and abroad and in all its phases so up-to-date as Mr. Pantulu. He was obliged to do this as the Editor of the *Indian Co-operative Review*, which he nourished to the very end in spite of his physical ailment. Perhaps, he might have died earlier if he had severed his connection with that which kept him in touch with brother co-operators all over the world.

There are few co-operative institutions in India of any importance which Mr. Ramadas Pantulu had not visited and tendered his personal advice to. He was not hidebound in his outlook nor orthodox in his views. He was eager to reorient the methods of working of our institutions to suit our economic and social environment, without sacrificing any sound co-operative principles. There were few co-operative conferences or committees of enquiry in the last two decades which had not felt the impress of his personality or been influenced by his considered views on current problems. He founded in his day many types of co-operative societies, most of which are flourishing to-day, thanks to his prescience. He had friends among the poor as well as the rich, among the young as well as the aged and among the employees as well as employers. His death has created a void in the co-operative world, which, to speak mildly, it is far from easy to fill. It was given to him more than to others to work out many plans and start several institutions. But the foundation of a Co-operative Research Institute on which he had set his heart, and for which he endowed a fine building occupied by himself for several years, has yet to be worked out by his friends and followers. This is the best tribute that co-operators in India can pay to the departed soul.

DEWAN BAHADUR S. ARAVAMUDU AIYANGAR, B.A., B.L., *President, Hyderabad Co-operative Dominion Bank.*

The passing away of the Hon'ble Mr. V. Ramadas Pantulu has caused a void in the co-operative world which it is difficult to fill. He had practically devoted his life to the cause of Co-operation and was considered a great expert in that branch of study. He has been editing with great ability and success the *Indian Co-operative Review* all these years. I hope that in the hands of his worthy son and successor in the Editorship, the Journal will have a successful and prosperous career.

Cablegram received from Mr. R.A. Palmer, *Acting President*, and Miss G. F. Polley, *Administrative Secretary. The International Co-operative Alliance, London.*

" International Co-operative Alliance profoundly mourns passing of Mr. Ramadas Pantulu. Expresses its deep sense of irreparable loss which Indian Movement and International have sustained. Extends sincere sympathy all Indian Co-operators and organisations also to the family of Mr Pantulu."

SYED SHA ALI HUSSAIN, *Author of " Co-operative Land Mortgage Banks in Madras."*

The death of Mr. V. Ramadas Pantulu has left a gap in the ranks of co-operators which it is difficult, if not impossible, to fill. And we are at once reminded of some of these qualities such as wide study, critical acumen, undying sympathy for the agriculturists, selfless devotion to their cause which helped to make his career one of outstanding merit and success. Above all, his close study and correct approach to the problem of agricultural co-operation in relation to the present structure of rural economy not only helped to raise the tone of discussion on subjects that came up before the conferences he attended or otherwise presided over but also served to infuse a new spirit into the Movement by developing an aptitude for research. And nothing is more heartening than to note that, though no more with us, the ideas that he helped to radiate, ideas of research and service are to take concrete shape in the Institute of Research and Service dedicated in trust to the Movement by Mr. Pantulu. This should be a good beginning at a time when research in agricultural co-operation is almost undeveloped.

With 15 years of personal touch with Mr. Pantulu, I can say that nothing impressed me more than his personal qualities. The Movement has been in existence for about 5 decades. And if it still stands in the name of " Thy poor whom men's eyes forget" the need for good leadership is all the greater.

References were made in the Council of State to the late Hon'ble Mr. V. Ramadas Pantulu and the following are a few :

The Hon'ble the President :

It is with very considerable sorrow that I have to announce the sudden death of one of our colleagues, the Hon'ble Mr. V. Ramadas Pantulu. He was for many years a member of this Council and he represented the Congress Party and during the last 3 or 4 years he was not able to attend this Council partly owing to ill-health and partly owing to the Congress mandate. But I may inform you, as all members know, he was highly respected, liked and admired by the members of this House. Not only that, but he was one of the ablest members that I have come across during 40 years of my public life. He has rendered very valuable services to this House. Whenever he spoke he spoke with moderation fully aware of the accuracy of his facts and his arguments were cogent and unassailable. He also rendered very valuable service in Select Committees. I had the honour of sitting with him in many Select Committees as a co-member and I found his knowledge of law was extensive and the help which he rendered to Select Committees on many important and difficult bills was of considerable value. We are all grieved to hear of his death.

The Hon'ble Mr. (now Sir) C. E. Jones (Finance Secretary) (now Acting Finance Member) :

I wish to add my personal tribute to the Hon'ble Mr. V. Ramadas Pantulu. I had known him for a number of years in Madras where for five years I was Finance Secretary, and the peculiar value of Mr. V. Ramadas Pantulu's efforts in the cause of Co-operation in general and of mortgage banking in particular in that Province is a matter within my personal knowledge. I had known him throughout as a man of broad views, of intense desire to serve the agricultural interests which benefited by the Co-operative Movement and the land mortgage movement in that Province. While his help was of special value in solving the problem of agricultural indebtedness and where possibly it is largely to his efforts that the Movement made more progress than anywhere else in India. I know his record of public service and I should like to add my personal tribute to the remarks that have been offered.

The Hon'ble Sir A. P. Patro :

It is with feelings of great regret that I have heard of the death of Mr. V. Ramadas Pantulu. I knew him almost for 40 years. We worked together in the field of agricultural co-operation. He was interested in the welfare of the ryot. At the time when I was unofficially collecting statistics regarding the wages of the ryot he came to me with a band of volunteers to co-operate and assist in my work. The published book *The Village Economics* was partly due to his assistance in working out the statistical portion of it. Though we differed in matters of policy, in matters of procedure, yet I admired his way of disinterested work in which he excelled. Then came in differences between him and ourselves in political matters and there though we differed radically our social relations were never affected. He was a man who could smile over any differences that might occur for the time being, who could never keep rancour in his mind. To forget and forgive was his policy. He was a gentleman whom we all respected very much and his loss is deeply mourned by his friends and relatives.

The Bombay Chronicle

Hitherto, the Co-operative Movement in India has not attracted many leaders of the front rank in public life, but among the few who espoused the cause, the Hon'ble Mr. V. Ramadas Pantulu who passed away last week occupied a prominent place. During the twenty years, for which period he was actively associated with the Co-operative Movement, he rose to an eminence which was attained by few co-operators of his generation. His name had become a household word with co-operators in India and he was one of the very few whose fame had spread to foreign countries. It was not only in the circumscribed circle of co-operative workers that the late Mr. Pantulu's influence was confined. As a redoubtable Champion of the cause of Co-operation he fought many brave battles, on most occasions singlehanded—in the Central Legislature and on mixed committees, commissions and boards of which he happened to be a member. The impress of his vigorous personality is evident even in the Majority Report of the Indian Central Banking Inquiry Committee.

It is principally to his deep study of Co-operation, in its principles and practice, and his wholehearted identification, with its ideology that Mr. Pantulu owed his hold over his co-workers all over India and the power for good that he exercised on their behalf among those in authority whether in the field of legislation or administration. He had hardly a peer as a student of co-operative theory and practice ; and he was as voluminous a writer as he was a voracious reader. His frequent visits to various Provinces and Indian States to preside over conferences, to assist in the deliberations of committees of inquiry or to advise local Governments and States brought him into close touch, both with men and affairs, opportunities that he utilized fully for the promotion of the cause of Co-operation. His trip to England and the continent of Europe as a delegate to the International Co-operative Congress enabled Mr. Pantulu to have India placed on the co-operative map of the world. It was no wonder that, with his vast study, his numerous contacts and his brilliant intellect, Mr. Pantulu made himself almost an indispensable friend and councellor to his co-operative colleagues not only in his Province of Madras but also all over India. It will be difficult, indeed, to replace him as the head of the All-India Associations of Co-operative Banks and Institutes.

It is rarely that the Co-operative Movement has claimed in India the services of workers who rank high in the nation's public life. Mr. Ramadas Pantulu was as distinguished a national worker as a co-operator and throughout his life he was closely associated with India's fight for political freedom. He was one of those who felt, however, that when Swaraj came it should connote also the economic freedom of the toiling millions of our fellow-citizens, a freedom which, he believed, could be better ensured through the Co-operative Movement than by any other means. The cause for which Mr. Pantulu worked and which he upheld, in his days, in face often of ridicule and opposition, seems now at last to appeal both those in authority and to the intelligentsia. It is a misfortune for the Co-operative Movement that it should at this stage have been deprived of its distinguished leader when it may have the opportunity—that may not recur for long hereafter—to be accepted as the basis for the economic organization of the small man in agriculture and in industry.

INDUSTRIAL CO-OPERATION IN POST-WAR PLANNING

BY

DR. J. B. TAYLER,

Representative of Chinese Government in India to Study Industrial Co-operation.

I believe with all my heart in the value of Co-operation as one application of the fundamental principles on which society is based: association on terms of mutuality for the furtherance of like interests and the harmonising of divergent ones. Accordingly I have sought for many years the reasons why co-operative success in the crucial field of industry has been relatively so slight. The figures published in 1939 by the International Labour Office showed that the membership of industrial co-operatives all over the world constituted only 2 per cent of the total for societies of all kinds. And of these over two thirds, 1.4 per cent, were *incops* which had developed within the state socialism of U.S.S.R. Thirty-eight years' connection with the Far East have given me strong convictions as to the forms of industrial co-operation which can be used for raising the standards of living of the great populations of Eastern and Southern Asia, and of their immense importance in the whole process of industrialisation in China and, I believe, in India. The experience of the last few years with Indusco has confirmed this view.

In a word, the field for which industrial co-operation is uniquely fitted is that of decentralised but well organised small units, integrated with agriculture and supported by suitable educational and research activities for the building up of progressive 'urban' communities. Before discussing the co-operatives, it will be well to outline the programme proposed and the reasons for my belief in it.

PROGRESSIVE URBAN COMMUNITIES

Rural industry is essential to sound industrialization.—There must be no complete divorce between agriculture and industry but their continued inter-relation in communities in which rural and urban elements are combined in proportions suited to different localities and the values of both elements are realised as fully as possible.

In some of the countries in Europe, and in China, the effect of industrialisation has been to undermine the old rural crafts and lower the standards of village life. Switzerland is an outstanding example. Some twenty years ago it was found that the population of its upland mountain valleys had dwindled by 40 per cent and that the livelihood of the remaining 60 per cent had fallen to a very low level. Action was entrusted to the Peasants' Union, which, after study, introduced improved textile work for the women, and small industries using hydro-electric power for the men,—with excellent results to which we shall refer later.

For this and other reasons, decentralised, rural industry, geared in with agriculture to give optimum employment to the village people, while supremely important to some countries—of which India is one—is appealing even to the most highly industrialised. A recent book review in the *Bombay Co-operative Quarterly* was on 'Industry and Rural Life,' the report of a conference held at Cambridge in 1942. Robert Owen's 'Villages of Co-operation,' though based on a wrong technique and the wrong type of settler, enshrined a sound idea. Owen's chief competitor as a mill master, Samuel Oldknow, carried it out successfully in another form. He acquired land round his mills to employ the men of the families whose women and juveniles were at work for him. It is this same principle of the combination of agriculture and light industries, especially the kinds which are busiest in the winter, which is being advocated for rural areas in England to-day.

Perhaps most instructive of all is the case of America, the land most fully committed to big industry, mass production and high finance. Even there events are focussing attention on this kind of development. The Year-Book of the Federal Department for Agriculture for 1940, entitled *Farmers in a Changing World*, is one of the most significant documents ever issued for planners. The experts of the department are faced with the plight of the poor half of the agricultural population, including the share croppers and the migratory labourers, whose position has been aggravated by urban unemployment. They are now planning land use by townships (the smallest administrative areas), and in doing so are keeping in mind the distribution of population which will make for the most satisfactory social and economic rural life. They suggest the acquisition of industrial equipment by the local people in certain areas as a logical development which will not only raise rural standards but simultaneously give a greater measure of industrial stability.

This then is the first point : industrialise as you will, the importance of balanced urban development of industry and agriculture remains.

Rural industry must be definitely planned to raise standards of living.—As already explained, such industry seeks to remedy the unemployment and under-employment almost inevitable in purely agricultural communities and thereby directly improve the family livelihood. Once the villager can be taught to appreciate higher standards, the industries thus serving him will occupy a very strong position. The spread of rural occupations should also make it possible to rearrange the smaller uneconomic holdings which depress rural standards. Where it uses local produce, it economises transport and can exploit the economics inherent in rural enterprise—lower costs of living and of rent. It may therefore cheapen to the villagers some of the goods and services which enter into his farm and household consumption.

If agriculture can be so developed as to provide an adequate balanced diet for all, in town and country, the industry with which we are concerned would aim to improve the supply of clothing and provide better houses and house furnishings, sanitation, and improved appliances for farm and home, and possibly for transport. The industry and agriculture combined will furnish purchasing power for enlarged educational and medical services and a richer social and cultural life. To do this is to retain at a higher level something of the rationality of earlier days, when production and consumption were more directly related in largely self-sufficient communities. Self-sufficiency is not an aim to-day, but it would be an extravagant commercialism which saw no economy in the local provision of needs, when this is possible, with local labour for which there is no more profitable alternative.

In stressing this purpose of rural industry, reference may be made to Prof. N. F. Hall's very valuable *Preliminary investigation into measures of a National and International Character for Raising the Standard of Living*, by the League of Nations, in 1938.[1] It places our specific proposals in a broad international back ground and makes clear how world-wide is the necessity for them.

The Swiss experience referred to above illustrates very appositely the benefits that may accrue. The Peasants' Union demonstrated to the valley inhabitants the gains they might expect, by means of an exhibition. On the one hand was the cottage in which they were obliged to live before the new occupations were introduced. Their clothing, bedding, curtains, carpets and furniture were of the poorest, shoddiest description,—all they could afford to buy in the market. On the other side was the cottage they could possess through their own labours, well furnished in all ways with good materials artistically worked, and they and their children well clad in the best of the styles developed in the various Swiss cantons. Everyone who has seen them in Geneva knows how attractive they are.

That India is ripe for a big step forward is being said on many sides.

THE PATTERN OF INDUSTRY REQUIRED

We must next consider what types of industry are needed in this rural development and how they should be planned for the best results. Indusco experience is against thinking in terms of unrelated societies or groups. A system is necessary, with centres for the supply of the expert services they must have. The types may be classified as follows :

(*a*) The occupations followed by *village artisans*, widely scattered through the villages. These men need to be given facilities for further training and to be organised in associations to help them to maintain progressive standards and to regulate matters like apprenticeship. For example, it has been suggested that, in six or eight weeks, blacksmiths might be taught modern methods of welding and, perhaps, to work with steel in addition to the familiar wrought iron. These artisan associations should be so organised

[1] League of Nations publication A. 18: 1938. 11 B.

that they can become collective members of co-operative federations in their districts. Presumably only the younger and more adaptable members can be brought into a scheme of this kind, and it will depend, in the case of blacksmiths, on what machine shops and other modern innovations are set up in the area. Leather workers would be dependent on a good co-operative tannery. Whether caste would interpose difficulties in, for instance, bringing a number of these men away from their villages to a central town to work together with better equipment and peddle their wares (or some of them) to their old villages, I am unable to say ; or whether these new developments might be used as a solvent of old caste restrictions in so far as these hinder progress.

(b) The craftsmen in the *cottage industries*, such as weaving and spinning, being more numerous, can be organised in separate primary societies, village by village. The village societies will be federated in a union with its office and works generally at the market town with which the villagers normally trade. As the movement develops these unions can be further federated into a district or regional federation. It is only by such methods that the services the craftsmen require can be supplied on an economical basis.

Among those needs we may mention not only facilities for supply and marketing and for training, but not less for market information and regularly revised designs. There is a permanent place for handicraft which has any claim to quality and artistic appeal. It is a general rule, perhaps, that the place of the crafts in local industry is greater in sparsely populated than in densely peopled regions. This is for two reasons. A sparse population cannot support large units of industrial enterprise. Neither can it provide so many forms of recreation and amusement for its members. In these conditions the interest in artistic workmanship is one of the satisfactions in life as well as a source of income.

The place for high grade work is illustrated by the case of a famous Paris store which supplies the world with materials for expensive ladies' costumes. The firm employs an artist who is constantly designing new materials with pleasing effects. His paintings are sent down to the centre of a district with a long tradition of handicraft weaving. Here an expert reduces the artist's picture to a weaver's formula or pattern. A sample length is woven and portions of this sample are then taken with the necessary supplies of correctly dyed yarn by motor van to the weavers. The driver of the van is an expert able to explain any difficulties. When I visited this district in 1931 the weavers were earning an average of about 100 francs, when the mill workers in Lille were only getting 35 francs. And the village weavers had their plots of land and produced a good deal of their own food.

A rural industry without guidance, however, is helpless. The Welsh farmers used to card and condense their own and their neighbours' wool with

water-driven machines to supply the miners with the woollen garments they wore and their women with flannel petticoats. The women changed their fashions and even the miners wanted to dress like the rest of the world when they were not down the mines. The local industry languished because it insisted on making flannel for which there was no market. In that same year, 1931, the University of Wales was trying to rescue it through a trained man they had appointed a short time before.

(c) *Labour contract societies*, on the Italian model, would be extremely valuable in many forms of rural reconstruction contemplated to-day and as they are always classed with workers' societies we include them here. Housing, the multiplication of schools, irrigation wells, bore-hole latrines, the improvement of the local roads and transport, and various types of land improvement, such as drainage, irrigation and anti-erosion measures.

While some of the earthwork will naturally be done by farmers, it must be directed by engineers and will require a nucleus of skilled artisans. Other types of construction will depend chiefly on the latter. Sometimes there may be separate societies of wood-workers or brick-makers and brick-layers, with arrangements to secure their collaboration for these schemes. Blue-prints will be prepared by a technical body, or the co-operative department or agency. Some schemes can be organised on a village basis, perhaps, with an overseer from the agency, others may involve a whole locality. It is not intended, nor possible, here to elaborate in detail the procedures to be followed, but only to draw attention to the importance of this field of development and of the value of this type of organisation to carry it out.

(d) and (e) *Workers' societies and processing co-operatives*.—In larger villages perhaps, and certainly in country towns, there will be workshops using power, and to these we may add (e) mechanised units for the processing of farmers' crops. We will not discuss the latter separately. In a locality where cotton is grown and ginned, the seed pressed and the cotton carded and spun, all by mechanical power, the line between agricultural processing and industrial production is a question of the type of co-operative used. If the farmers combine as growers to run the ginnery, that is agricultural ; if the workers in this and the related activities are members, it is industrial. It is conceivable that various types of organization should be devised, based on the farmers as growers processing their crops, or (say) weavers as users supplying their own yarn, or of workers managing their own societies, or on a combination of these. When the types of society in a village or 'township' begin to multiply, the problem of inter-relations becomes more complex. How to organise so as to relate responsibility to interest, to secure the utmost simplicity and efficiency in the primaries, and the best basis for co-ordinating activities and reconciling the varied interests in the federations will call for co-operative statesmanship. But that is looking into the future.

It is the workshops in the marketing towns, and the central shops in the larger towns which serve a group of small rural markets, which will form the key-pin of the system. Without the village activities there is no adequate base for them ; but without them the village industries cannot hope to progress as they must do to live. The best single illustration is the machine-shop. Without this it will not be possible to meet the needs of the villages either for the acquiring or the repairing of essential equipment. As I have explained in writing about Indusco[1], a system of decentralised industry, with its small scattered units, requires behind it the same kinds of research and training facilities and extension services as those which have made scientific, commercialised agriculture a success. The village carpenter and blacksmith, who were able to meet the simpler needs of the past, will no longer suffice. Not only will the demands made on the village artisans be greater, but repair shops of a modern type will be required with more elaborate equipment. The situation will be a fluid one during the period of transition, but it must, as far as possible, be planned as a whole. In particular the intermediate units between the village on the one hand, and the large scale enterprises of metropolitan centres on the other, call for consideration. The rural development must be well served by medium sized units which support it. Experience indicates that these should be linked with the village developments through co-operatives, that is, they should be integral parts of the federations or enterprises conducted by them. In the latter case they would be in the charge of the department or promotional agency until the federation was strong enough to handle them. Some of these units, at least, should be capable of making a good deal of the equipment required by the village and local industries and for agricultural processing.

It may be suggested that many of these, should be connected with a technical college or school, in order to facilitate training and the kind of experimentation needed to work out the equipment best suited to the local conditions. They would then naturally form the centres for local extension services, both technical and educational. Indeed industrial co-operation calls for a change in the character of rural education, a change which is desirable on general grounds and to which reference is made below.

Federation.—In gradually building up a system of co-operative rural industry on the lines just sketched, it would be wise, judging from Indusco experience, to federate the societies in two ways. One type of federation is that for societies in a given type of industry, for example, metal working and engineering. This would include associations of blacksmiths, the machine-shops, and special groups such as cutlers ; also non-ferrous metal workers such as copper and brass workers. Another obvious group is the textile, and a third, the chemical, with tanneries, dye-works, soap and other vegetable oil societies, and so on. A fourth, less defined industrially, but with societies of similar general type, would be one including the smaller cottage industries.

[1]*Bombay Co-operative Quarterly*, March 1944.

The divisions most convenient for the work of the technical staff will generally prove most suitable in the later stage for the federations, for it is with technical matters that these federations will be concerned—advisory services and the running of mechanised units serving handicraft societies.

In addition there should be district and regional federations, embracing all the industrial societies in their areas. This form has preceded the other in Indusco. It deals with business matters common to them all—finance, especially credit; transport, supply and marketing when these are not better handled on an industrial basis. Not only so, but in the management of the common good fund for health and educational services and for community development, the general federation is invaluable. As the movement matures, other matters will assume importance, particularly wage rates, and a wages board under the general federation will be called for.

Besides providing these various services, federation gives a sense of common membership, and greatly strengthens co-operative spirit. It affords enlarged opportunities for the gifted members to exercise their abilities on a larger scale, for the movement as a whole. And it is the best means for reconciling conflicting interests and promoting co-operative equity.

Indusco experience will be useful in connection with constitutions for such types of organisation or work as may be new to India.

Can co-operation mean better industry ?—What has been outlined above may seem to be a major enterprise and questions may arise as to the value and feasibility of it. Sir Horace Plunkett's famous words that agricultural co-operation means 'Better Farming, Better Business, and Better Living' are universally accepted. But no equal claim has been made for co-operative industry. It is worthwhile at this stage to consider what may be hoped from it. In 1908 C. R. Fay dismissed as unimportant the German associations of small producers (hand work genossenschaften) saying, 'they rarely succeed because their structure is unsuited to modern conditions.' Actually it is similar to that of the agricultural societies which have been so successful in a great many countries. But while the structure of agriculture is typically different from that of industry, we have seen that small units have a place in rural areas in China and India. For these, as for the family farm, co-operation on a producer basis is suited, not to say indispensible. This applies wherever individual and mutual responsibility is called for on the score of efficiency, and where scattered units make expert supervision otherwise too expensive.

As the co-operative workshop which does belong to the modern system, Fay continued : 'While other forms of co-operation can show the resistless triumph of union over isolation, the workers' society can show only the gallant attempts of working men to achieve higher things.' That is, to secure a higher status than that of mere wage earners, at least a part responsibility for the management of their own enterprises, and the amenities while at work which these can bring. Federation as practised by Indusco is an answer to this assumed limitation : it does exhibit the results, if not as yet the irresistible triumph of union. And there are other answers that must be understood.

Energising *v.* enervating occupation.—In handicraft industry, the man is master of his tools and his discipline is largely self-imposed. Intelligent direction of his work, responsibility for ordering it, effort and self-discipline in acquiring skill, are a greater necessity and have wider scope than in most machine industry. Many modern jobs can be learnt in a few months, weeks or even days. Of course there are some which are more exacting than any in the pre-industrial age. In the higher branches of engineering a man may not reach his best until he is about thirty years old, after perhaps seven years of apprenticeship and many more as an 'improver'. But such cases are relatively few. A tendency which is far reaching is expressed by F. W. Taylor, the founder of scientific management. He wrote : 'The full possibilities of functional foremanship (one of the features of his plan) will not have been fully realised until almost all of the machines of the shop are run by men who are of small calibre and attainments and who are therefore cheaper than those required by the old system.'

Dean Hermann Schneider of Cincinnati, one of the America's greatest industrial educators, summed up the results of this tendency of machine industry by dividing occupations into two classes—the energising and the enervating. Slightly modifying his statement we may say that the *energising* are those in which the work

is done in good conditions of light and air,
provides good physical development,
requires continued mental development,
calls for alertness,
affords variety of working conditions,
gives the worker a sense of the relation of his work to that of his fellows and a sense of comradeship in doing so,
creates interest in good workmanship and achievement,
creates a sense of serving the community and so develops the spirit of service.

The work is *enervating* if it

is carried on in vitiated air or a strained position,
consists of monotonous repetition,
is so long continued that fatigue toxins accumulate in the worker's system,
is accompanied by intervals of unemployment,
breeds a sense of insecurity.

The co-operator's opportunities and remedies.—The type of co-operative organisation we have outlined offers a unique chance to the statesman of creating a vigorous and progressive people. At its best the earlier stage of agriculture and craft industry did produce men vigorous in mind and body, especially in ages in which a vital religious movement has reached the common man.

Modern co-operation is the child of such a movement. This is seen most clearly in the beginnings in England, Germany and Denmark, but everywhere since when a fresh development has occurred. Good workmanship, fair dealings and helpful association grafted on self-help characterise its true spirit. It does not seek to run industry on men of small calibre and attainments, but to give each man the opportunity to develop his powers to the fullest extent and then to exercise them in the advancement of the movement and the community it serves. This leads to principles governing mechanisation. Processes will be mechanised if this improves the quality of the product and releases labour for other needed work ; and if by genuine economies, it raises real wages. The wood-turner operating his bow squatting in a constrained position, will be replaced in one or more steps by one operating an electrically driven lathe. Small units, like the Ghosh set for cotton and the H. F. set for wool, will be employed where circumstances render it desirable, and will supply local groups of weavers with better yarn. But mechanisation will not be practised if it leads to unemployment. The worker will be encouraged to understand and become skilful in the use of machines. There is a classic story of an English mechanic who was so much more skilful in the use of a particularly intricate and delicate machine that his employers gladly gave him £20 a week as wages. (His fellow-workers became envious and the wage was reduced to £12.) There is pleasure as well as profit in becoming master of the job, and in the co-operative movement no less than in the Soviet Stakhanovite movement, this may be a form of friendly emulation in which all gain and no one is worse off.

Moreover, the incentive to each co-operator to do his best is much stronger than that of the ordinary wage earner. When some innovation is made by the engineer that affects his working practice, the member has no reason to suspect that the owners are trying to get bigger profits for themselves without, perhaps, rewarding him in full for his greater production. He and his fellows are collectively the owners. As writers on administration, like Ordway Tead, show hindrances to progress as well as reduction of production by ca' canny are important handicaps of the commercial system because of the division of interest from which co-operation is free. To this may be added the fact that in a co-operative it is to the advantage of each that his mates should do their best and make the business as a whole profitable. There is every incentive to team work. Among the better men the sense of mutuality and helpfulness is thereby strengthened. The real crux of industrial co-operative development and progress is the extent to which the movement can attract or create the best engineers and industrial experts. This is a consideration which colours Indusco's conception of the organisation of the promotional work and of the federations' functions.

From this point of view, it is but a step to the realisation of the fact that co-operation has an economics of its own; but that is too big a subject to enter upon here. In passing it may be noted that a complete system includes the consumer wing as well as the producer. In India it may, I think, be suggested that in devoting production to the raising of the standards of rural living, the consumer element is introduced in the somewhat different form of the community, and we will devote just a word to the subject.

This co-operation programme, the community and education.—Every extension and intensification of economic relations tends to extend and develop the community only if interests are recognised as common and not conflicting. If the villagers, for instance, are federated in a co-operative system for credit or marketing or processing, the links between the village and the market town become closer. To the old separate village communities is added a new and larger one. The villages remain, and their neighbourhood is always most fully developed. In all sound social development, widening range is the correlative of some more developed interest, of greater understanding and mastery of some new technique. A growth of personality and larger social relations are similarly correlative.

But this process requires that interests which are common or like should be developed and that divergent interests should be harmonised. It is here that co-operation is a great creative force. From this point of view the co-operative federations are a positive element in building up the expanding communities and a most valuable field of democratic experience, for they include all classes of the people, from the humblest upward, and concern the common affairs of daily life.

The great social developments are religious advances as well as economic. I am told that the Indian village is an historic example. In Europe the religious fraternities out of which grew the early guilds were another. It was the Evangelical Revival of the 18th century which produced Robert Owen, the son of a saddler in a small market town, to whom the Czar of Russia offered two millions of his subjects and immense tracts of land, that his ideas might be carried out there. Owen also won the life-long friendship of the Duke of Kent, father of Queen Victoria. It was the same movement which produced William Carey, the son of a school master in a village so small that his father had to eke out his living by weaving, but who became a great linguist and pioneer in a movement of which Serampore College was one of the first fruits.

But the religion of which modern science and co-operation are children is still in the making and is fulfilling itself through the social sciences and social movements. Even communism is the child of religion though it miscalls itself atheist in its attack on perverted forms of it.

My purpose in saying these things is entirely practical. Co-operation cannot be success except in the hands of those for whom it has this religious

quality. It is they who can quicken the spirit of the common man and develop his latent capacity. The process is an educative one. The education that is needed, as already suggested, may mean collaboration with schools and colleges at different levels, but above all it will mean a transformation of the rural school and a system of adult education.

Perhaps the co-operators can secure what their movement must have by carrying their principle of federation into the educational field. Schools giving a special two-year course to graduates of the lower primary village schools, would be invaluable. If such were established under committees representing the villages concerned as well as the market town, there would be a further strengthening of the enlarging community. The character of the course might be similar to that of the Indusco Bailie schools. These schools, at whatever level, will start from the point the students have reached and help them to understand the new practices, the meaning of science and of its applications to industry.

Some skill must be imparted, an understanding of simple mechanical principles and of the value of accuracy. Teaching must be concrete and related to practical needs. Above all there must be group activities fostering the team spirit; the principles of social growth will be taught by the most directly applicable examples. The school itself will be a training in the social discipline which the co-operative process involves.

In addition there will need to be short classes of two or three weeks at a time, to help local co-operators to understand their immediate problems. These should be conducted in the spirit of the Danish Folk High Schools, but of course at a lower level of general knowledge.

Thus Co-operation will both realise its own ends and build up progressive urban communities.

MILK SUPPLY AND CO-OPERATION

BY

K. C. RAMAKRISHNAN, M.A.

Milk, "the most perfect single food known to mankind," has always been a scarce article of food in most parts of our country, in spite of the fact that a vast majority of our population are vegetarian in practice, if not all of them by faith, and would like to consume milk and milk products if they could only buy them. In the first report on the *Marketing of Milk* issued by the Agricultural Marketing Department of the Government of India in December 1940, the *per capita* consumption of milk was estimated, on the basis of 1931 human census and 1935 cattle census, at 6.6 oz. per day, which was one-fifth the average of milk consumption in western countries with essentially non-vegetarian peoples. A revised edition of the report was issued in July 1942, based on the more recent 1941 human census and 1940 cattle census, which revealed the distressing fact that per capita consumption in India dropped down further from 6.6 oz. to 5.8 oz. We have no doubt that if an estimate were made at present, it would be found that the position has deteriorated still further in the last 18 months.

The acute scarcity of rice, the staple food of the country, has eclipsed all other shortages; and milk being considered a luxury by, or for, the masses, is not likely to attract a fraction of the attention that rice has done, because of the low purchasing power of the people. The revised report on the *Marketing of Milk* observes "The Madras Province in spite of its low production compared with the population exports large quantities of ghee to other areas which partly accounts for the low *per capita* consumption in that tract, 3.3 oz. per day." We are afraid that consumption of milk must have gone down since July 1942 by 25 to 50 per cent in the middle class families, while the poor have had to dilute further their buttermilk, the only milk product (rather by-product) within their reach.

What a contrast is this to the attention paid to the production and consumption of milk in Great Britain even during the war! Sir John Orr, the great authority on dietetics, who had estimated by a survey made in 1935 that 50 per cent of the population of Britain were undernourished, has, in a recent survey covering 1,900 families from North Scotland to the South of the Thames, found that the number of the undernourished were reduced by two-thirds. Boys of 13 in Glasgow are said to be now taller by .88 inch than the immediate pre-war average! He attributes the improvement to increased milk consumption and the use of oatmeal and wholemeal instead of white bread. Sir John Orr says that the worst fed are now better fed than ever, owing to the public health measures and the provision of dried milk and other protective foods. But he is not content with that achievement. To achieve adequate standards he wants British production to be increased by 25 per cent in some foods and 15 per cent in milk.

Dr. N. C. Wright has given an estimate, in his classic report on the *Development of Cattle and Dairy Industries of India* (1937), of the daily per capita requirement of milk from the point of view of nutrition. He concluded that on the existing dietary standards the production of milk in India should be doubled to meet the minimum requirements for maintenance of satisfactory growth and health of the people. The revised report on the Marketing of Milk points out that Dr. Wright did not take into account (i) the richer quality of Indian milk and (ii) the consumption of other animal proteins such as eggs, fish and meat in India, and therefore considers that an increase of about 50 per cent in the then (1942) production of milk would do to meet the deficiency of first class proteins in the average Indian diet.

Actually, however, there are reasons to think that the volume of milk production has gone down since the war began. There is a widespread feeling that on account of influx of beef eating foreign troops in India and the demand for more beef by Indian troops and others, who have been making more money on account of the war and are accustomed to eating beef, more cows and she-buffaloes, as well as oxen and he-buffaloes, though not in the same proportion, must have been slaughtered. Figures for the whole country and even for a province are not available. But judging from the data personally collected[1] relating to the slaughter houses of the Madras City (which cater more to the civilian than to military consumers) we find that the increase in the slaughter of cows and she-buffaloes is not so pronounced as in that of male cattle. The warnings of the Government of Madras against the slaughter of cows and she-buffaloes unless they have passed the stage of milking should have had some effect.

Cattle Slaughtered in the Madras City (1939-43)

April—March	Cows	She buffaloes	Bulls	He buffaloes	Annual Total	Monthly average
1939-40 ...	...	...	...	...	18,630	1,553
1940-41 ...	1,560	2,701	8,095	6,303	18,659	1,554
1941-42 ...	1,674	2,893	8,629	6,674	19,870	1,658
1942-43 ...	1,739	3,036	8,722	8,285	21,782	1,815
April—September '43.	799	2,019	5,353	5,262	13,413	2,236

[1] By Miss C. A. Ratha Bai, Ex. Research Fellow in Economics, University of Madras.

Monthwar Statement of All Animals Slaughtered in Madras City (1942-43)

	Cows	She buffaloes	Bulls	He buffaloes	Sheep	Goats	Pigs
October 1942 ...	166	299	613	505	26,176	19,108	83
November 1942 ...	141	265	696	668	31,897	15,944	62
December 1942 ...	150	194	1,062	1,070	31,622	12,196	86
January 1943 ...	150	266	886	941	29,894	9,506	146
February 1943 ...	161	245	798	903	24,894	11,182	123
March 1943 ...	201	441	945	969	28,366	16,142	150
April 1943 ...	126	417	878	904	29,020	13,226	104
May 1943 ...	128	326	982	952	31,483	13,427	87
June 1943 ...	138	310	917	863	28,714	12,892	206
July 1943 ...	140	340	911	816	29,879	13,490	204
August 1943 ...	126	316	854	830	30,746	13,667	261
September 1943 ...	141	310	811	877	30,383	12,227	137

Whether more cows and she-buffaloes in milk, or likely to be in milk, are slaughtered or not, there can be no denying the fact of the greatly enhanced demand for milk products on account of the presence of troops in very large numbers in this country since the middle of 1942. The refugee population from Eastern Europe, Burma and Malaya and the Italian prisoners of war have very markedly added to the demand for milk, cream and butter in certain cities in South India—notably in Madras, Coimbatore and Bangalore. Centrifugal cream separators have been working in several towns and big villages producing large quantities of cream from the milk brought in from the surrounding villages. Cream is supplied as such, or converted into butter, to the numerous agents of the military contractors who scour the countryside. The skimmed milk is supplied to the hotels and restaurants in towns, but it is more largely used for adulterating pure milk. Petty traders pass off the mixture as genuine milk. The price of skimmed milk sold as such has quadrupled in the course of 18 months. Poor consumers are prepared to pay a higher price for it since that luxury of pure milk can be had only by those who can afford to keep cows themselves or get them milked in their presence at much higher prices—a practice now dying out.

The Corporation of Madras and several moffusil municipalities have no end of rules and regulations threatening several penalties for adulteration; but the authorities concerned seem to wink at it. Samples taken for inspection are few; prosecutions are fewer and the punishment inflicted is so

slight as almost to invite suppliers of milk to indulge in adulteration. Consumers are so worried over getting the required quantity of milk that they have ceased to bother about the quality of milk.

The rise in the retail price of pure milk, such as the one sold by the co-operative milk supply unions, has been ascertained in half a dozen centres in the Madras Province and is quoted below :—

Price of milk per lb.			April 1942.	October 1943.
			A. P.	A. P.
Madras City	...	...	1 8	3 0
Coimbatore	...	...	1 4	3 6
Vellore	...	...	1 4	2 0
Salem	...	...	1 4	2 6
Calicut	...	...	2 0	3 4
Mangalore	...	...	2 0	2 6

The difference in price between cow's milk and buffaloe's milk (about 6 pies per lb.) in certain centres is ignored as individual consumers of milk are not prepared to pay a higher price for it, though hostels and restaurants do pay. Many poor people buy a little quantity of pure cow's milk for children at the higher price, but are generally content with adulterated milk sold at cheaper rates according to the degree of dilution.

The producers and vendors of milk have, of course, ample justification for putting up prices because of the sharp rise in the cattle-feeds as noted below in four centres, which is more or less the case elsewhere too. Prices of cows and she-buffaloes have doubled and trebled but as the breeds are so different and their milking capacity and other characteristics vary widely, comparative figures are not given.

Prices of Cattle Feeding Stuffs in 1942 and 1943 (September)

Stuff	Unit	Madras		Coimbatore		Calicut		Mangalore	
		1942	1943	1942	1943	1942	1943	1942	1943
		Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Cotton Seed ...	Viss	0 4 0	0 7 6	0 1 8	0 3 6	0 1 10	0 5 6	...	...
Gingelly Oil Cake	,,	0 2 7	0 4 3	...	...	0 3 9	0 7 0	0 4 3	0 6 6
Groundnut Oil Cake	,,	...	...	0 1 3	0 3 3	...	...	...	...
Coconut Oil Cake	,,	...	...	...	...	0 1 10	0 5 0	0 3 0	0 8 0
Rice Bran ...	M. M.	...	...	0 0 5	0 0 9	...	...	0 0 5	0 0 9
Wheat Bran ...	,,	0 1 0	0 6 0	...	...	...	...	...	...
Dholl Husk ...	,,	0 0 8	0 2 0	0 0 7	0 1 6	...	...	...	...
Paddy Straw ...	Bundle	0 15 0	2 14 0	...	...	0 7 0	1 6 0	0 14 6	1 8 6
Cholam Stalk ...	,,	...	...	0 2 6	0 10 0	...	...	...	...

M. M. = Madras Measure.

The role that co-operative societies in India have played in the supply in urban areas of pure milk collected from rural producers is nothing very creditable. Milk supply societies and unions have been organised in the Madras Province during the last 15 years (not prior to that as the Milk Marketing Report says—at any rate in this province) in the interests essentially of milk producers in the neighbourhood of cities and big towns, beginning with the Madras City in 1927-28. The Madras Milk Supply Union's first object is to buy and dispose of the milk and milk products of its members, handled under sanitary conditions, at reasonable rates to the residents of Madras. It has had other objects too, some of which it has carried out—to establish model dairy farms and put up modern plant for pasteurising milk and producing butter; to own or lease pasture lands and maintain the dry animals of members at reasonable rates and to supply cattle food and other commodities required by members. The Madras Milk Supply Union has had its vicissitudes, with little State support at first, the hostility of hospital authorities, the indifference of consumers in the city to the quality of milk and the disloyalty of milkmen members fomented by private contractors, who had been making money at the expense of poor producers who did not know their own interests and were tempted by a momentary offer of higher prices. Thanks to the indomitable energy, patience and perseverance of the founders and the support of the Registrar of Co-operative Societies and the positive encouragement by the Government later, the Union was able to tide over difficulties and command at least 7 per cent of the total milk trade in the city (as estimated by the Milk Marketing Report) just before the War (1938-39), while the *Calcutta Milk* Supply Union with an earlier start could command only 1.8 per cent of the milk business in that city, and the total quantity of milk it handled was only 20 per cent more than that of Madras. There was no other organisation in the country anywhere near either of these two unions.

The revised edition of the Milk Marketing Report, though published in 1943, gives figures of milk supply unions relating only to 1938. There has been a great deal of deterioration in the last two or three years. The Madras Milk Supply Union may still be the second biggest organisation of the kind in India, but it no longer supplies 7 per cent of the milk requirements of the city. The city population has, thanks to the war effort, increased by nearly 30 per cent in the last 18 months. The quantity of milk that the Union could attract from producers has gone down from 8,000 lb. to 5,000 lb. per day, so that it may now be said to cater only to 3 per cent of the city's need. In fact, it sells to the general public only 20 per cent of its supply; the rest (80 per cent) is sold to 7 or 8 State hospitals in the city, though in the past there was no love lost between the Union and the biggest hospital, and it had to pay heavy damages for unfulfilment of contract brought about by the machinations of the wily contractors who weaned away milkmen members. The Madras Union has installed pasteurising plant at heavy cost, with a view to preserve the quality of milk and lessen inconvenience to milk producers in villages. The Union's pasteurisation may not be perfect; but instead of suggesting improvements to it, the hospitals insist on the production of raw milk drawn in the hospital premises, thereby, as the Milk Marketing Report says "encouraging the keeping of cattle in the city, a practice which progressive forces in other places are fighting to eradicate". The craze to supply to hospitals, jails, hotels, etc., instead of to individual consumers is not confined to the Madras Milk Supply Union alone; such bulk custom is coveted by all, as it is perhaps the line of least resistance and the interests of producers, not those of consumers, are the primary concern of these unions.

There are a dozen other Milk Supply Unions in the major towns of the Madras Presidency, but only four or five of them handle more than 1,000 lb. of milk per day. Next to Madras the biggest milk supply union is that of Coimbatore with six affiliated societies handling about 2,500 lb. of milk per day most of which is distributed to individual consumers in the city, and it is therefore really serving a larger proportion of the resident public than the Madras Union at present does in that city. The price of milk has gone up, unfortunately, higher in Coimbatore than even in the Madras city on account of its expanding industrial population, the refugee, Military and Navy camps on the one hand and the much poorer yield on the other hand, of cows and buffaloes in Coimbatore with just a sprinkling of Scindhis, Murrahs and cross-breds compared with the very large number of Ongoles, Murrahs and cross-breds in the Madras city.

We believe too that very much more milk goes into the creameries in and around Coimbatore than in the environs of Madras. The situation is not likely to ease very much before the end of the War.

We do not know why a number of milk supply societies and unions are still kept going, though they are not able to get more than a few hundreds of pounds of milk per day. Departmental efforts and State subsidies might be better diverted to strengthen the promising ones than buttress the very weak. A thousand rupees of subsidy per union is a gesture of good will rather than a substantial aid, when prices of cows and buffaloes have doubled and trebled and feeding stuffs have gone up by 100 to 200 per cent, as was noted above.

Most of the supply societies and unions have only small share capital paid-up and they cannot attract other funds on account of their small transactions. The staff is inadequate and ill-paid and there is no supervision over milking. The milk that is brought is purchased with a lactometer test, which is not an infallible test. The distributors of milk are not a clean lot, either physically or morally. Even in the city of Madras the delivery boys are known to tamper with the purity of milk in sealed cans by ingenious devices. Unless a union can afford to have a very honest and vigilant supervisory staff, public confidence cannot be gained. No union can afford such staff unless its transactions are large.

The producers of milk who were anxious to benefit by the co-operative sale of milk in the days of depression, when the demand for milk was at a low ebb, are at present indifferent to the fate of institutions organised in their interest, as they find a number of alternative channels for the disposal of their milk and buyers go in search of them. This desertion from co-operation, however, is not a failing, peculiar to the milk producers of South India. All the world over, agriculturists on whose behalf co-operative marketing or processing is organised in times of depression have been known to behave like this. In fact societies organised for the sale of liquid milk, when there is no appreciable surplus of it in the country, as for example in England, do not succeed, while the societies organised for the production of butter, etc., when there is a great surplus of milk which cannot be sold as liquid milk are more easy to run and do succeed, as in Denmark and Holland. This is the lesson that the history of co-operation teaches us.

We do not agree with the suggestion made in the Milk Marketing Report that legislation compelling members to be loyal to the societies in the delivery of milk would improve matters, as long as the demand for milk is far in excess of supply and the price offered by the society for pure milk is as low as the market price for milk, which is all adulterated. Nor is price control feasible in a commodity which is produced on a small scale in scattered homesteads. Unlike in Holland and Denmark our milk producers keep just one or two animals as a side-line and do not specialise in dairy-farming. Besides this, the tropical climate of our country is inimical to the transport of pooled milk especially on the execrable country tracks, while it suffers little harm in a head-load.

The Report on the Marketing of Milk throws out a novel suggestion that the milk supply unions might organise village collectors of milk who handle milk of several producers, into co-operative bodies and draw their supplies of milk from them instead of from societies of small individual producers. It is naively argued that these collectors of milk, who are often petty traders as well, would not only ensure large and regular supplies of milk, but also bring some business acumen and marketing experience, which are lacking in producers' co-operative societies. The report brushes aside the objection that these worthy persons would not be amenable to co-operative principles, and piously hopes that "ways and means could be found to filter down the benefits to producers"! This is a surprising recommendation from the framers of a report, which states that the collectors of milk are much more blame-worthy than the producers in respect of adulteration, that they are addicted to the practice of reducing or "toning" down milk with 25 per cent skimmed milk, which can pass as genuine milk under existing standards, and using reconstituted skimmed milk from imported skimmed milk powder, to detect which there is no method yet known, and to the using of a larger measure than the authorised one for buying milk, etc. The collectors of milk are the worst sinners in the milk trade, and

they have made the most money. They neither need nor deserve the sympathy of co-operators.

It is not easy to make a success of co-operative milk supply run from the producers' point of view as long as the demand in the area is far in excess of the supply. If a few smaller societies, like the one in Chittoor, are successful it is largely due to the better supply position there. On the other hand, the dismal failure or poor show of societies in larger cities like Trichinopoly, Madura and Bangalore proves the rule that without an improvement in production of milk and reduction in its cost, no society can succeed.

It appears to us that the chances of success may be greater if the consumers' societies that are well established—and several are in South India—take up the purchase and distribution of pure milk as a branch of their activities and cater to the members who can afford to pay the higher price for such milk. Co-operative stores in Great Britain have been selling milk and milk products along with other foodstuffs. They have had the benefit of dealing with comparatively bigger producers, though latterly (prior to the war) they were complaining of the policy of the Milk Marketing Board, which in their view was a producers' monopoly.

The war, however, has brought about great changes in the attitude of the British Government which has been since heavily subsidising the milk industry and ensuring the normal consumers' a ration of at least 3 pints of milk a week, while the priority consumers' such as children in schools and later on children of pre-school age, and nursing and expectant mothers, 7 pints a week at 2 days a pint—or free in the case of the lowest income group.

In these days of inflated values even for essential commodities it is the State alone that can come to the rescue of the poorer people in India, at least the children and nursing or expectant mothers among them, and organise the supply of milk to them free, or at low price, making use of the co-operative milk supply societies or unions and their depots for the distribution of milk to card holders. Such a distribution, however, would not be co-operative but philanthropic. The vast majority of members of consumers' societies do not want such aid. They would benefit only by an increase in the supply of milk and a reduction in its cost which could be brought about by a rigorous control of the prices of concentrated foods, encouragement of the green fodders, in addition to the complete stoppage of slaughter of milch cattle so as to give no room for any temptation to sacrifice any animal likely to be in milk at any time in future. The increase in the supply of fodder and feeding-stuffs would alone, as the Milk Marketing Report says, increase the milk yield by 50 per cent. This is the only feasible and effective short range policy for the State to follow in abnormal times like the present.

We are afraid that the scheme adumbrated in the Milk Marketing Report for the re-organisation of milk production and marketing can at best be a long range policy to be attempted step by step in the spacious days of peace to come, and not one that will help solve any pressing problem as the one we have in the acute scarcity of milk. It is far from easy at present " to purge the urban areas of milch cattle " or to organise the collection and distribution of all rural milk through one monopolistic organisation, costing Rs. 5 lakhs for an urban area with two lakhs of people. The scheme allows a big loophole for fraud in permitting existing retail distributors, who shall be licensed though, to buy from the above organisation and sell in retail. Licensing is to be done by the Municipalities, who have been found fault with for their indifference in the working of the Food Adulteration Act. We are sceptical of success of any campaign " to purge the cities of milch cattle" at a time when transport facilities are shrinking.

Even after the war is over it will be a long time before normal conditions are restored and the required number of milch animals can be got. Meanwhile foundations must be laid for a more systematic and progressive policy of cattle breeding and rearing in rural areas with good transport facilities to populous centres. The best agency, the only agency to which monopoly may be given if it is not to be the Municipality, is the co-operative agency which might have failed during the War, but has certainly served the public more. With an improvement in the condition of supply in relation to demand, co-operation has a far better chance of success and service to the public.

THE CO-OPERATIVE MOVEMENT—ITS FUTURE DEVELOPMENT

BY

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The Co-operative Movement in India now enters upon its fifth decade as an organised movement. While in general the Movement is financially better off than it had been for some years because of the recent enormous increase in the prices of agricultural produce and the fact that many members for this reason alone have been able to repay loans, yet the social, political and economic state of the country is not favourable to the Movement. And it is to this broader aspect of the whole matter that I would like to invite attention at the outset. It is obvious that the Co-operative Movement finds its best soil in closely integrated and highly educated societies such as existed in pre-war Denmark or Sweden. Wherever there is strong sense of citizenship, of identity of interests and no wide gaps between various classes or groups, Co-operation finds ideal soil. It seems to be a natural outgrowth of the community and of the national life. From this point of view conditions in India are, if anything, even more unfavourable than in the past.

There are more widespread and deepening antagonisms between communities, regions and provinces than in the past. For instance, slogans such as Kashmir for the Kashmiris, the Punjab for the Punjabis catch and hold the popular imagination. The monetary inflation, the stupendous rise in prices, black markets, speculation, fortunes quickly made and lost and the general disintegrating forces of a long war have led to a moral and social laxness which threatens the very foundations of organised social living. The general picture as we see it in India to-day is, in many respects, not an encouraging one but rather disheartening if not alarming. The famine in Bengal, the spread of devastating epidemics not only in Bengal but in far more widespread areas, are only the first indications of something fundamentally unsound in the whole situation.

The Co-operative Movement expanded very rapidly between 1915 and 1930—from less than 20,000 primary societies of all types in 1914-15 to nearly five times that figure in 1929-30, to over 98,000. The number given for 1939-40[1] for all types including primary and non-primary is put at about 137,000, and of these about 118,000 were primary credit societies—so that while the rate of growth was about 20,000 in every 3 years in the earlier period, it slowed down to 20,000 in ten years, in the later one. Over 60 per cent of the societies were classed in C, D, or E groups *i.e.* average, poor and bad.

[1]The number of all types of societies in 1940-41 was about 142,512.

In fact the great depression between 1929 and 1940 rocked the whole Co-operative Movement to its foundations. Repayments slowed down and the funds of the Movement became immobilized. In some provinces, like Bengal and the United Provinces the Movement seemed to be actually disintegrating. In the Punjab the debt legislation of the 1930, so strongly favouring debtors against creditors, led to widespread evasion or delay in repayments to co-operatives. Interest rates were reduced; no cumulative interest was charged and even the principal in the worst areas was scaled down.

The enormous rise in agricultural prices since early in 1942—that is for roughly two years past—has been like a blood transfusion to a person half drained of blood. But such a situation depends so much upon a transient war situation and to count upon it as offering more than a breathing spell would be dangerous indeed. Nonethe less we should be devoutly thankful for the breathing spell and pause to take careful stock of the situation.

In my judgment a truly Co-operative Movement has its roots in the social structure of a people and its economic outworking follows from that. For instance take the Consumers' Co-operatives or Rochdale Store in Great Britain; they rest upon the social solidarity of the lower middle classes (the clerical white-collar-non-professional type) and the more skilled and better educated workers. These groups have gone to the same schools, chapels (as non-conformist churches are called in England) and clubs and often inter-married and lived the same general pattern of life. It was only natural that their demands for food, drink, clothing, furniture, amusements, papers and books should be roughly similar. Inasmuch as these groups had considerable purchasing power, were dependable, intelligent, and loyal, these stores were a natural economic outgrowth or expression of their social complex. When a group of several score dairy farming families in Wisconsin or Sweden start a Co-operative Creamery, with butter and cheese as by-products, it seems a natural result of the social homogeneity of the group. They live, think and act much alike; they inter-marry, attend the same churches and can rely upon one another.

Now the social pattern of village in India is totally different from that of western countries, and the widespread change brought about by westernization or modernization has not touched the heart of village society. Here every person born in a group cannot and for the most part, would not, leave it except by losing himself in a distant city. His whole future being thus cemented firmly into this caste-occupational group, he will identify his future almost wholly with its fortunes and welfare. Now the Co-operative Movement had to choose between a single-caste structure and a multi-caste structure of primary village society. In the Punjab at least the choice fell upon the multi-caste structure. If it were to be a progressive movement its choice had to be such. But what is the result? Let us try to look at a typical case to see what we can discern.

Here is Labhu Mal, a *Chamar* of village X with a wife and three children and he becomes a member of the local co-operative credit society and pays his one rupee a year for ten years to purchase a share. He is illiterate, but a very fair tanner in the old style, and around harvest time (wheat harvest) he gets out to help gather the major village crop. He secures his skins from a neighbouring group of *Chuhras* with whose members he would not smoke that *Huqqa* or eat a common meal. He knows that he is looked down upon by the *Jat* land-lords, the *Mahajans* and other superior social groups. He finds that most of the members of the society are *Jats* and *Rajputs* with only a sprinkling of other castes. He is one of the two *Chamar* members and there are no *Chuhra* members at all. Naturally he feels diffident and after finding out who the most powerful members of the group are, he supports their proposals. He has been attracted to the society by a hope of borrowing more economically and by the democratic facade set up by the society. After a little experience he finds the main benefits go to those who have some landed property as they have some substantial security to offer, and so they get the bulk of the loans. If he gets a loan once in a while, it will be a small sum, refundable on fixed dates and at probably not less than 9 per cent interest. Of course this is better than the 25 per cent or more he would have to pay the moneylender. But in many ways he would have felt far freer in spirit, though perhaps not in fact, had he gone to the old family moneylender.

Such an example shows how difficult it is to have anything approaching social and psychical solidarity in a multi-caste village society even in the far from caste-ridden Punjab village society of to-day.

So far we may be said to have been dealing with the past but what about the future? This second world war is, in my judgment, going to bring the possibilities of a social revolution home to the Punjab village. On what basis does such a prophesy rest?

Since August 1914—that is, in less than 30 years—two successive generations of the Punjabi peasants have been taken from the plough to the battle-field or at least into the army. Army social life is vastly different from the village. While the bulk of the men, or all, in his own company or battalion, may be of his own caste and religion, like *Muslim* or *Hindu Jat*, or *Hindu Dogra* or *Muslim Rajput* yet he is inevitably mixed up with men of all castes and creeds. He may travel and live for several years abroad where the social structure is radically different—as it would be anywhere outside India. Now within two or three years a returning flood of such troops will spread throughout the villages of the Punjab. And this time not only the desire but the demand for change will be much stronger.

Secondly, elementary school education—especially amongst girls—has made tremendous headway in the Punjab rural areas within the past 20 years.

Thirdly, the Punjab cities, towns and suburban communities, are rapidly expanding and the disequilibrium between country and city, so marked in the past, is being slowly redressed.

Fourthly, religion is relaxing its hold upon the younger generation and religion has been the basic cement binding these old-fashioned social groups together.

Now what would be a constructive programme for the Co-operative Movement so that it might develop along the most useful lines? My first objective would be to introduce co-operative shops and societies throughout the entire educational structure. The only way to make true co-operators is to educate them as such from youth up. The Central Training (teachers) Colleges would have to take up the question seriously and train teachers in co-operative living. For instance, how much valuable would be a big library possessed by a high school than small individual personal libraries? The free use by the community of a large library in a public institution is certainly more beneficial. A noon day co-operative lunch counter would be better than the solitary lunch carried in a many-storied metal container to be gobbled in solitary grandeur in an office or cubby-hole of some sort. Each school could have a co-operative garden for flowers, plants, vegetables and fruits.

With a generation of school children trained in co-operative ideas it seems to me the whole character of the problem would be changed. At present the Movement is still largely a government managed, organised and maintained Movement and this remains true after forty years of effort. The whole Movement would collapse within a very few years were the government's strong hand withdrawn. The same will be the case in another forty years from now, unless some radically new departure is made. And this war-time era is the most suitable time for such a radical new move.

Anyhow it is time to move away from the present single-purpose village co-operative society. Other activities should be grafted into the more vigorous of these societies, such as the co-operative maintenance of a doctor and dispensary in larger villages, or purchase and sale activities. At first wide activities on a fairly simple and limited scale should be attempted; such as the distribution of selected seed or new varieties of seed, and carrying on propaganda and education on rural affairs and a broader approach to village life. The school, the dispensary and the co-operative should work in close harmony with one another. The forest department might well encourage picnicking and camping in forest area (under suitable control of course). The government should encourage sight-seeing tours, and all places of historical interest should be made easily accessible, well advertised and used to build up community spirit and local as well as national patriotism. In other words Co-operation or the Co-operative Movement, is not just a professional subdivision of a bureaucratic government but it should get out into the main social currents, into the

blood-stream of society at large. Co-operation leads to a growing and constantly enriched civilization, but competition alone, unless it be emulative in right-doings, may and often does lead to wars and the decay and death of civilization.

If the Co-operative Movement is really going to flourish in India it must get out of its official swaddling clothes. Co-operators who are mainly interested in official smiles, titles and awards and stand in awe of every bureaucratic frown, are not going very far.

So let us begin to get the Movement out into the main highways where the people are to be found.

COTTON MILLS AND HANDLOOMS
A PLEA FOR CO-OPERATION

BY

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The two main sources of cotton cloth in India are (*a*) the 389 cotton mills employing less than half a million persons to produce annually 4,800 million yards of cloth; and (*b*) about two and a quarter million handlooms weaving 1,800 million yards of cloth annually out of mill-spun yarn. Thus, paradoxical though it may seem, both the primitive handloom as well as the best equipped cotton mills flourish side by side in our country.

The secret of survival of cottage weaving inspite of the onslaught of machine competition is explained by the absence of an alternative avenue of employment. It would be nothing short of a national calamity if six and a half million persons, employed either whole or part-time in hand-weaving, found themselves ejected from their hereditary occupation and deprived of their means of livelihood. Because their standard of living verges on starvation, they will continue to cling to their profession so long as the price of yarn is less than the price of cloth. The difference between the two decides their wages.

Another reason why the handloom still persists is that a certain preference is attached by the consumers to handwoven fabrics on account of their durability and artistic quality. Custom and sentiment also play an effective part in creating favourable bias towards handloom products. Again, Indian mill-made and imported cloths have failed to penetrate far into the interior of the country, due to the lack of means of transport, thus helping to retain the market for hand-woven goods in the more remote districts.

It is because the handloom has come to stay in the rural economy of India, that various Provincial and State Departments of Industries have since 1920 been devoting their best attention to its development. Remarkable progress has already been made in the introduction of labour-saving appliances and improved methods of technique through the agency of technical schools and peripatetic demonstration parties. The output of hand-woven cloth, which was 211 million lbs. in 1900-01 increased to 332 million lbs. in 1938-39. In 1934, the Central Government further helped the promotion of the handloom weaving industry, by giving an annual grant of Rs. 5 lakhs to be distributed among the various provinces. With their share of this grant, the Government of Bihar started a handloom marketing organisation to remove the handicaps of the handloom weavers, resulting from the lack of modern designs, standardisation of patterns and of bleaching, finishing and marketing facilities, and also to serve as a model for the small capitalists

The financial success of this marketing organisation since its inception, and the material benefits accruing to the handloom weavers have demonstrated the potentialities of a commercial enterprise of such a nature. The Bihar weavers have, as its result, not only secured distant markets in the United Kingdom, Australia, New Zealand, the U.S.A., etc., for their artistic furnishing fabrics, which are in a class by themselves, but are also marketing successfully such staple goods as *dhoties, saris, chaddars* shirtings, suitings and towels. Even fabrics like net-cloth of leno weave, honey comb, huckaback and turkish towels, bedford cords, and cellular and twill shirtings, which were till quite recently woven only on power-looms and mainly imported from abroad, are now being manufactured on handlooms and sold at competitive prices.

Inspite of all his achievements the handloom weaver is still confronted with one major problem which demands an immediate solution, viz., that of procuring the right quality of yarn at reasonable rates and in sufficient quantities. Under the present system the handloom is dependant upon the mill for its supply of yarn. But as most mills combine spinning with weaving they retain the best yarn for their own consumption, while passing on yarn of an inferior quality (known in the trade as 'reeling yarn') to the handloom weavers. Due to the heavy import duty of 1½ as. per lb. which has been imposed in order to shut out foreign yarn, the handloom weaver has to pay unduly high prices for his raw material. The yarn dealers or middlemen are responsible for a further enhancement of these prices. All this, together with the fraudulent practices existing in the trade, adversely affects the interests of the handloom industry. Thus what is gained by the weaver by the use of labour-saving appliances and by improvement in workmanship and marketing methods is lost in the purchase of his raw material.

Would it be possible to eliminate the existing competition and to introduce in its place co-operation between the handloom weavers and the mills on a wider and more lasting basis for their mutual advantage? One way of doing so would be for some of those cotton mills which are located in the midst of the handloom weaving centres to confine themselves to spinning and dyeing of yarn and bleaching, finishing and marketing of cloth, and leave all the processes of weaving entirely to the handloom weavers. Each of these mills will maintain a staff of supervisors for the purpose of distributing yarn (either grey or dyed) to the handloom weavers under their charge and getting the cloth woven against the standard patterns and specifications.

The linking of the handlooms with the spinning and finishing mills will effect a combination of the economies of machine-production and large-scale enterprise with the economies of the domestic system. Getting their cloth woven on handlooms will enable the mills economically to undertake the manufacture of a large number of the specialised types of fabrics, which cannot be produced on power-looms since the demand for each type is small. Handwoven fabrics being more durable in quality will fetch higher prices than similar mill products. The handweaver, working in the healthy surroundings of his own home, works longer hours than the factory labourer, and also receives the assistance of the members of his family. The other advantages of the 'linked' system are that it will provide a scope to the mills for regional specialisation in the spinning of certain counts of yarn, correct the evils of excessive industrialism such as strikes, lock-outs, and over crowding in urban areas, and also release the capital, now invested in power-looms, preparatory machines, weaving sheds and weavers' houses, to be utilised for more profitable purposes. The direct contact between the spinning mills and the handloom weavers will eliminate middlemen, reduce freight charges and thus tend to lower the cost of handwoven cloth. Since continuous employment would be assured to the hitherto partially idle weavers, there would be good ground to hope for progress of village welfare.

If economy of mass production is the only test of industrial development, it could be satisfied by co-ordination between handlooms and mills. "The handweaver will be able to turn the tables on the power-loom weavers if but a fraction of the capital, energy and organisation were devoted to his trade that have been expended in pushing power-loom weaving" (Sir Alfred Chatterton). The marketing organisation of Bihar, to which reference has already been made, has demonstrated, while executing the orders of the Supply Department of the Government of India for *dosutee*, towels, *markin* cloth etc., that handlooms can be profitably employed for manufacturing standard cotton cloth on a mass production basis.

But the most cogent argument in favour of the proposed co-ordination is that, contrary to popular belief, the cost of production on a handloom is less than that on a power-loom, as can be seen from the statement of comparative costs* given below :—

Cost of weaving per lb. in mills in 1927.				Cost of weaving per lb. on handlooms in 1939.			
Counts.	Rs.	a.	p.	Counts.	Rs.	a.	p.
14 s.	0	3	9	10½ s.	0	2	1
20 s.	0	5	0	20 s.	0	3	9
30 s.	0	8	0	30 s.	0	4	7

The idea of co-ordinating mills with handlooms is not a novel one. The success achieved by Japan in the industrial field is reported to be due largely to a cottage-cum-factory organisation of this type, whereby cottage weaving

* The cost of weaving on power-looms was obtained from Bulletin No. 4 of the Department of Indian Economics, viz. *The Handloom Industry in South India* (page 210) and that on handlooms from the costing chart of the handloom marketing organisation of Bihar (Bihar Cottage Industries, Patna). The latter does not include the cost of distribution of yarn and of the collection of cloth from the weavers in the villages.

is centred round factories. It is also said that in Wales, as well as in Switzerland, a similar system is adopted and handloom cottage weavers are linked with small spinning mills driven by water power.

The objection may be raised that such a system of co-ordination will lead to the mill-owners or private capitalists gaining control over the weavers and exploiting them to their own benefit. This danger can be averted if the weavers increase their bargaining capacity by organising themselves into co-operative societies or trade unions, which are now looked upon as a necessary adjunct to industrial progress. It may also be argued that the prospect of reduced costs under the proposed system will not be a sufficient incentive for the mill-owners to close down their weaving departments since they have already sunk a large amount of capital in the purchase of power-looms and other machinery. But the fact that the number of weavers who are taking to small scale power-loom weaving, due to the availability of cheap electric current in different places, is increasing year by year is sufficient indication that the mills will not encounter much difficulty in disposing of their idle looms. A third objection will be that, due to the inequal distribution of cotton mills throughout the country, there will be certain areas in which the handloom weavers will be excluded from the operation of the system. There is no doubt that this shortcoming will exist in the experimental stages. But from the long-period point of view, when the technical and social economics of co-operation have been amply demonstrated in practice, it is hoped that the gaps will be filled in by the erection of more spinning and finishing mills in areas which are now not served by them.

Experiments to test the commercial possibilities of a scheme drawn up on the lines suggested above may be conducted by Government by requisitioning some of the state-owned or aided mills for the purpose.

As the handloom industry at present consumes as much as 25 per cent of the yarn spun in Indian mills, i.e., about 300 million lbs. out of a total of 1,200 million lbs., the problem of the hand-weaver is also tne problem of the mills. The reason is obvious. With the disappearance of the handloom, the cotton mill industry will lose its only market for the disposal of its "reeled yarn". Salvation lies not in accelerating the mill industry at the expense of the handloom, which will only accentuate the problem of poverty and unemployment, but in reconciling the two superficially conflicting interests.

HIGHER EDUCATION IN CO-OPERATION

By

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Now that a Central Institute of Co-operative Research and Study has been contemplated in Madras, as a result of the generosity of the late Mr. V. Ramadas Pantulu, it would be a fitting tribute to his monumental work in the field of Co-operation, if the All-India Co-operative Institutes' Association would do something to spread the idea of Co-operation through the provision for higher education in Co-operation.

The brief note and the editorial comment on Co-operative Education abroad published in the October-December, 1943 issue of the *Indian Co-operative Review* clearly indicate the line of development in this field through colleges and universities. India is very backward in this respect and it is a pity that no University has thought fit to create a Chair in Co-operation and institute a degree in Co-operation. The exigencies of war have given an unexpected stimulus to the growth of Co-operation, and in the post-war era Co-operation is bound to play an important part. The need for well-trained co-operators with a high standard of education has become very great and the Co-operative Department and non-official leaders and associations ought to have a scheme, which is possible of immediate realisation.

The institution of a degree or, and a diploma by the Madras University, and the teaching for such a degree by the existing colleges, and for the diploma by the University or by a new Co-operative College affiliated to the Madras University are the plans for immediate consideration. There are three concrete plans worthy of consideration in the present circumstances :—

Firstly, the Madras University may be requested to institute a new Pass Degree (Bachelor of Co-operation) in the Arts Course of the University, the scheme of study and regulations for Parts I and II being the same as the B. Com., (Pass) course, while in Part III there should be three compulsory papers on Co-operative subjects, *e.g.*, (*a*) Co-operation—History and Principles, (*b*) Co-operative Law and Organisation, (*c*) Co-operative Banking, etc., and three papers common with B. Com., (Pass), *viz.*, (*d*) General Economics, (*e*) Audit, Accountancy and (*f*) Economic Geography and Business Organisation with one optional subject added to these six papers to be chosen from among subjects like (1) Co-operative Marketing, (2) Industrial Co-operation, (3) Consumers' Co-operation, etc. If such a degree is instituted in the University, any first-grade college in the Presidency can start the course just as the B. Com., (Pass) course has been recently started in three colleges within one year.

Secondly, now that a Chair has been created for Agricultural Economics in the Agricultural College, Coimbatore, it may be possible to start this course in the Agricultural College. Co-operation may be given a more prominent place in the B.Sc., (Ag.) course by revising the syllabus. It is very necessary that, in addition to the present B.Sc., (Ag.) graduates with a full knowledge of all the scientific aspects of soil and seeds, provision should be made for another type of agricultural graduates with a greater knowledge of economics, banking, co-operation, etc. If a course could be newly instituted, where scientific subjects and economics and co-operative subjects were combined in a new co-operative degree course—details to be settled in consultation with the different Boards of Studies—it would be a very popular course.

Thirdly, as recommended by the Committee on Co-operation (Madras), 1939-40, a separate College of Co-operation may be started and maintained by the Co-operative Department, like the Agricultural, Veterinary or Medical Colleges, or maintained by the Education Department like the Engineering and Law Colleges. Such a separate college would provide teaching of a degree course, a short diploma course and becomes a centre of advanced study and Research in Co-operation and Agricultural Economics.

During the Congress Ministry a scheme for starting such a college in Madras was prepared and published in the press and it was even suggested that the Forest College at Coimbatore may be utilised for this purpose, as the building was then not used for any purpose. Even now, the Forest College Buildings can be used after the war, as it is only an evacuee camp which will be closed immediately after the war.

Post-war economic reconstruction with its scheme of industrialisation, colonisation, etc., would need the services of young and ambitious graduates with a good knowledge of social sciences and practical knowledge in business and co-operation. Unless something is done immediately to train such future leaders and guides when the time comes all sorts of people with no knowledge and enthusiasm will be put in charge of such schemes with possibilities of many of them not succeeding as expected. Co-operative education through the colleges and under the auspices of the University has become an immediate necessity.

CO-OPERATIVE SOCIETIES AT WORK IN INDIA

Bengal

Extracts from the Annual Report on the Working of Co-operative Societies in the Presidency of Bengal for the year ending 30th June 1942.

The total number of all classes of societies rose from 40,403 to 41,247 indicating an increase of 2.8 per cent against 7.9 per cent of the previous year. The number of Central Banks remained unchanged. It was 121 as before. The number of producers' unions came down from 17 to 16 by the liquidation of the Darjeeling Co-operative Milk Societies Union. The number of agricultural societies went up from 37,210 to 38,018, the increase being 2.1 per cent against 7.8 per cent of the previous year. The smaller increase is due to the fact that greater attention was paid to the consolidation of the existing societies especially the crop loan societies set up in recent years for supplying seasonal credit to the agriculturists. The most important addition to the agricultural societies was 7 multipurpose (agricultural marketing) societies and 4 Land Mortgage Banks established at Khulna, Burdwan, Rajshahi and Dacca. The number of non-agricultural societies rose from 3,051 to 3,089. The increase was chiefly in the case of credit societies.

Membership.—The total number of individual members of all classes of societies rose from 1,298,807 to 1,408,634, representing an increase of 8.4 per cent against 13.6 per cent of the provious year. The increase in membership compares favourably with the increase in the number of societies.

Working Capital.—The total working capital of all classes of societies declined from Rs. 2,140.14 lakhs of the previous year to Rs. 2,131.88 lakhs in the year under review, the percentage of decrease being about 4. The working capital of the Bengal Co-operative Alliance remained stationary. The working capital of non-agricultural societies increased very perceptibly. The working capital of all other classes of societies, however, showed a fall. The fall was more conspicuous in the case of the Bengal Provincial Co-operative Bank, Ltd. There were excess withdrawals due to panic amongst the depositors as a result of the war. There were also large withdrawals from some of the solvent Central Banks. This was partly compensated by an increase in the working capital from other sources. The net result was a small decrease in the working capital of the Central Banks. The decrease in the working capital of the agricultural societies, the bulk of which are credit societies, is accounted for by repayments made towards loans of the Central Banks. The decrease is also partly the result of scaling down of the debts of members by debt settlement boards involving subsequent adjustment of balances of the dues against the owned capital of the societies and also of the increasing adjustments of the dues of the members against their deposits.

Owned Capital.—The percentage of owned capital to the working capital shows a welcome increase in case of all classes of societies except in the case of the Bengal Co-operative Alliance where it remained stationary.

Members' and non-members' deposits.—The statement below shows the position as between deposits by members and non-members :—

	Members (Rs. in lakhs)	Percentage	Non-members (Rs. in lakhs)	Percentage
Deposits in Agricultural Societies				
1940-41	18.11	54.4	13.40	42.6
1941-42	17.00	54.8	14.07	45.2
Deposits in Non-agricultural societies				
1940-41	157.83	36.4	275.66	63.6
1941-42	184.23	41.2	262.48	58.8

In agricultural societies a steady decline in the deposits of members has been a feature for several years past. This is due to paper adjustments of their debts against their deposits, a fact already referred to, and is not the result of any considerable withdrawal in cash. Non-members' deposits in agricultural societies, however, show some improvement. This is the effect of reduction in the rate of interest on deposits by the Post Office Savings Bank. It may also be observed here that non-members in rural areas have not much scope or choice of investments. Members' deposits in non-agricultural societies have shown a commendable rise. They are generally of small denominations. Non-members' deposits in these societies, however, show a decline. This is attributed to withdrawals in favour of more profitable investment in business or industries under the present favourable conditions created by the war.

Loans.—Loans to the extent of Rs. 38.64 lakhs were disbursed to the societies against Rs. 50.57 lakhs of the previous year. There was thus considerable fall in the issue of loans. The Central Banks were unable to advance loans out of their own funds on the previous year's scale because of heavier call from their own depositors. Another contributory cause was the suspension of issue of crop loan by Government through the Provincial Bank in the latter part of the year due to non-fulfilment of certain conditions by the said Bank. The decision by Government to advance such loan direct to Central Banks took some time during which period no loan could be issued. Recoveries showed an excess over issue by Rs. 18.68 lakhs against Rs. 10.18 lakhs of the previous year. The large recovery is accounted for by the rise in the general level of prices of agricultural commodities.

Purpose of loans issued.—A statement showing classification of loans issued to individual members during the year by agricultural societies of all classes (except land mortgage banks) according to their objects is furnished below :—

	1940-41		1941-42	
	Amount (in lakhs) Rs.	Percentage	Amount (in lakhs) Rs.	Percentage
For productive purposes ...	49.43	99.46	51.68	99.26
For paying prior debts ...	.23	.46	.12	.22
For marriage, ceremonials, litigation and other non-productive purposes. ...	.04	.08	.27	.52
Total ...	49.70	100	52.07	100

Loans for unproductive purposes have practically ceased. This has largely been the result of the inability of the societies to find funds to finance such loans. Long term loans are now being appropriately left to the land mortgage banks to cater. But facilities for such loans are not yet available in all parts of the Province due to the limited number of these banks at present.

Loans to the extent of Rs. 48.85 lakhs were issued to the members of agricultural credit societies against Rs. 47.04 lakhs of the previous year. Rs. 10.21 lakhs was issued from the funds of the societies in addition to loans received from the Central Banks. Recoveries amounted to Rs. 56.25 lakhs showing an excess of Rs. 7.40 lakhs over the loans issued during the year. Such excess was Rs. 7.22 lakhs during the previous year. Rs. 352.04 lakhs was outstanding from the members at the end of the year of which Rs. 328.58 lakhs or 93.3 per cent represented overdues. The previous year's outstanding was Rs. 362.78 lakhs of which Rs. 331.56 or 91.4 per cent was overdue.

The following statement shows the percentage of overdues to loans due by members in agricultural and non-agricultural societies :—

		Loans due by individual members (in lakhs of Rs.)	Of which overdue (in lakhs of Rs.)	Percentage of overdue.
Agricultural Societies[1]				
1940-41[2]	...	366.00	332.99	90.9
1941-42	...	354.02	329.52	93
Non-Agricultural Societies				
1940-41[2]	...	567.23	65.22	11.4
1941-42	...	547.38	63.54	11.6

[1] Excluding land mortgage banks.
[2] Revised figures.

The business of the 5 old land mortgage banks suffered materially during the year for want of finance. The Bengal Provincial Co-operative Bank which had hitherto been financing these banks purely as a temporary measure discontinued to do so any further. Loans to the extent of Rs. 0.34 lakhs were only issued by these banks to their members as against Rs. 1.33 lakhs issued during the previous year. The four new land mortgage banks could not issue any loan. The Government has since provided funds for financing the land mortgage banks. Rs. 0.55 lakhs was recovered during the year from the members on account of principal as against Rs. 0.37 lakhs of the previous year. The percentage of recovery to the total demand being, however, less than the previous year, the overdue rose from Rs. 0.36 lakhs to Rs. 0.43 lakhs.

The percentage of overdue in agricultural Societies taken as a whole shows an increase from 90.9 per cent to 93 per cent.

Classification of Agricultural Credit Societies.—The following table shows the classifications of agricultural credit societies (other than grain banks) for the year 1941-42 :—

(A)	Thoroughly good societies	...	21
(B)	Fairly good societies and showing evident signs of progress.		235
(C)	Average with some arrears in loan accounts and general working not very satisfactory	...	20,795
(D)	Bad societies which may progress if reconstituted	...	4,122
(E)	Very bad societies which should be cancelled should they fail to be reconstituted	...	4,294
	Societies under probation and not classed	..	6,896
	Total number of societies	...	36,363

The number of D and E class societies has further increased during the year.

The only effective way of liquifying frozen assets is to scale down the debt of each individual member according to his repaying capacity. Hundred more Co-operative Special Debt Settlement Boards were set up during the year for expeditious settlement of debts of the members. The total number of such Boards at the end of the year was 206.

Co-operative Special Debt Settlement Boards.—A statement showing the working of Co-operative Special Debt Settlement Boards during the year 1941-42 is given below :—

Number of Co-operative Special Debt Settlement Boards	...	206
Applications filed by Creditors	... ...	12,273
do by Debtors	... ...	28,967
Applications disposed of	... ..	30,566
do dismissed	... ...	4,899
Claims settled :—		
Co-operative	... ...	Rs. 49.43 lakhs.
Others	... ...	Rs. 78.76 lakhs.
Number of cases settled	... ...	16,858
Total cases pending	... ...	40,068

It is a matter of some satisfaction that the disposal of cases, settlement of claims and awards, all show definite improvement. The percentages of cases dismissed has also come down in comparison with the total number of cases filed. The progress in the conciliation of debts should, however, be still more expeditious. Only a small fraction of the members of rural credit societies have so far appeared before the Boards. It is up to the departmental officers and the financing banks to see that every member who is unable to repay his loan in full does apply to Debt Settlement Board for the settlement of his debts.

Profits and losses, and revenue income and expenses of the Provincial Bank, Central Banks and other Societies.—The Bengal Provincial Co-operative Bank, Ltd., worked with a revenue deficit of Rs. 0.92 lakhs. Five Central Banks, namely, the Nagarpur, Barisal, Padmapara, Rangpur and Jalpatpaiguri Central Banks worked at a loss even on papers. Such loss was not, however, of any considerable magnitude except in the case of the Padmapur Central Bank. The net cash revenue income of the Central Banks was Rs. 17.13 lakhs and their cash revenue expenses amounted to Rs. 15.44 lakhs against Rs. 14.72 lakhs and Rs. 16.83 lakhs, respectively, of the previous year. Forty-six Central Banks could not meet their revenue expenses out of their realised income. It is, however, some relief that the number of deficit Central Banks as also the amount of deficit are both on the decline. This has chiefly been due to reduction effected in their obligatory charges.

Out of the 5 old land mortgage banks 4 worked at a profit, the Jessore Land Mortgage Bank could not yet become self-supporting, the deficit being Rs. 536.

The agricultural credit societies other than land mortgage banks incurred a net loss of Rs. 5.51 lakhs against Rs. 1.09 lakhs of the previous year. With a view to stimulate recoveries, a practice of making liberal credit of realisation towards the principal even when interest was outstanding had come to exist. But the treatment was otherwise in the case of payments made by societies to Central Banks. Realisation from societies was first credited into interest account of the Central Banks. The equilibrium was thus not maintained resulting in gradual reduction of productive assets of the societies. This state of things was the main cause of loss as in the previous year. Other factors that contributed to the loss were :—

(i) The interest accumulated on loans due by members to societies having exceeded the principal in many cases, further calculation of interest was suspended in those cases though interest on the borrowed capital went on accruing.

(ii) Remissions of interest were freely allowed by Societies without their being always adjusted against the Reserve or other funds. The result was that the assets were written off without the corresponding decrease in the liabilities.

(iii) The awards of Debt Settlement Boards affected the profits of the societies in that forward interest was stopped in many cases while in some cases even arrear interest was wholly or partly wiped off.

The activities of the agricultural purchase and sale societies including multipurpose (marketing) societies increased considerably during the year. They handled commodities to the value of Rs. 10.54 lakhs as against Rs. 6.64 lakhs of the previous year. They earned a net profit of Rs. 1.81 lakhs, such profits during the preceding year being only Rs. 0.56 lakhs. The Central Co-operative Paddy Sale Society handled Rs. 5.21 lakhs worth of paddy and rice against Rs. 5.08 lakhs of the previous year and earned an increased profit of Rs. 2,173 against Rs. 377 of the previous year. The Calcutta Milk Societies Union dealt with Rs. 3.28 lakhs worth of milk and milk products but on account of the abnormal situation that it had to face in regard to supply of milk from its constituent societies it sustained a loss of Rs. 3,187 against a profit of Rs. 15,607 of the previous year.

The ten Industrial Unions continued to co-ordinate the activities of their affiliated societies with the help of the Government of India grant for the handloom industry and handled manufactured textiles of their member societies of the value of Rs. 11.90 lakhs against Rs. 11.94 lakhs of the previous year. They earned a net profit of Rs. 23,836 against Rs. 13,562 of the previous year.

The non-agricultural credit societies, generally speaking, continued to maintain their good record. The profit earned by them amounted to Rs. 12.05 lakhs against Rs. 14.36 lakhs of the previous year. The decrease in profit was due to reduction effected in the rate of interest in some of the bigger Urban Banks particularly the three Railway Co-operative Societies.

Government assistance to the movement:—The entire cost of maintaining the Co-operative Training Institute and the itinerant instructional staff for Co-operative education was met out of the Government of India grant and amounted to Rs. 1,22,553 against Rs. 32,651 of the previous year. The increase in expenditure was due to employment of itinerant staff of Instructors for the training of Secretaries of rural societies.

The Government of India grant for the development of handloom industry, for the year amounted to Rs. 1,03,528. Of this Rs. 79,218 was allotted to this department and the rest to the Department of Industries. The amount actually drawn during the year was Rs. 59,323 as against Rs. 55,453 of the previous year so far as this department is concerned.

The Gopalpur and the Setabganj Sugarcane Growers' Unions drew a total amount of Rs. 8,682 as against Rs. 9,877 of the previous year as grant from the Sugar Excise Fund of the Government of India for the development of Sugarcane Growers' Co-operative Societies, the total allotment, however, being Rs. 13,000 for each of the years.

The Bengal Provincial Bank received from the Provincial Government the 6th instalment of the annual grant of Rs. 2 lakhs to enable it to write off the losses it sustained in its dealing with the jute sale and supply societies. The salary of the Special Officer attached to the bank was also met by the Government.

The entire cost of management of the four new land mortgage banks as also the net loss incurred by the Jessore Land Mortgage Bank during the year was met out of the Provincial revenues.

Rs. 1,987 was received from the Provincial Government against Rs. 1,999 of the previous year for distribution amongst societies composed of backward classes by way of grant towards the maintenance of their clerical staff for keeping accounts.

General.—The movement passed through another year of stress and strain. The policy of expansion was continued but more cautiously. Increased attention was paid to the consolidation of the existing societies particularly the crop loan societies a large number of which had been set up in recent years for supplying seasonal credit to the cultivators. Dearth of rural credit from local sources was experienced as before. The village moneylenders are now rather reluctant to go in for fresh business in view of the operation of the various ameliorative measures passed in late years for the benefit of the agriculturists of which the Bengal Money Lenders Act and the Bengal Agricultural Debtors Act may be particularly mentioned.