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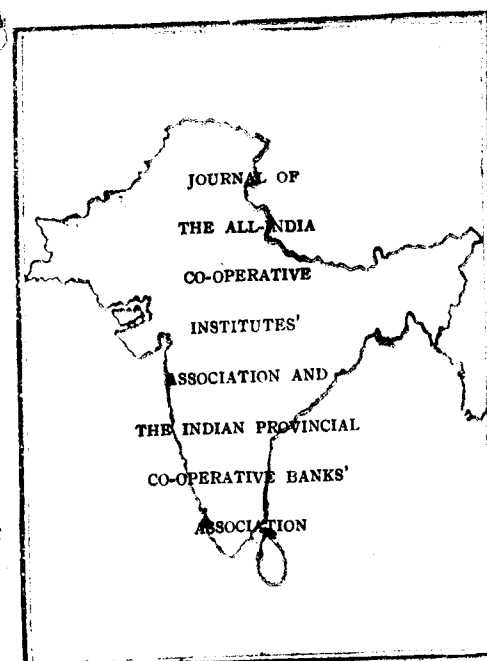


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JULY—SEPTEMBER, 1944

INDIAN CO-OPERATIVE REVIEW



Published Quarterly

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THE INDIAN CO-OPERATIVE REVIEW

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“CO-OPERATION”

The Leading Monthly Co-operative Magazine in URDU
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UNDER THE SUPERVISION OF

KHAN MOHAMMAD BASHIR AHMED KHAN,
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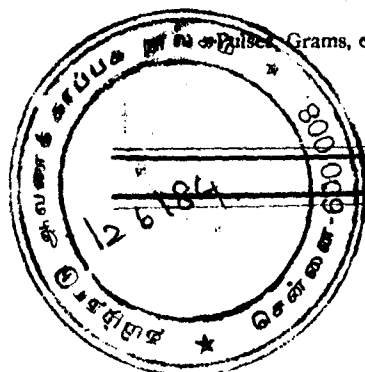
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VOL. X

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EDITORIAL NOTES

JOINT MEETING OF THE STANDING COMMITTEES

The Standing Committees of the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association met in Joint Conference at Bombay on the 29th and 30th July 1944. The meeting was presided over by Dewan Bahadur Hiralal L. Kaji, the Vice-President of the All-India Co-operative Institutes' Association in the absence of the Hon'ble Mr. V. Ramadas Pantulu, who died in March 1944.

The meeting was very well attended by officials and non-officials alike. As the Registrars' Conference was going to be held on the three subsequent days, the Registrars of Co-operative Societies from the British Indian Provinces and from Indian States could and did attend in large numbers. This meeting was therefore distinctive in this, that very many distinguished workers in the cause attended and took part in the deliberations.

Sir Janardhan A. Madan, the President of the Bombay Co-operative Institute, was the Chairman of the Reception Committee and we owe grateful thanks to him, to Mr. V. L. Mehta, the Honorary Secretary and to other friends from Bombay for making suitable arrangements for the Conference and for helping the delegates in a variety of ways.

The President in his address had brought out the well-known fact that the tendency of the day was greater officialisation of the movement. There was a great deal to be said in favour of this tendency in the interests of efficiency of Co-operative Institutions, and of effective supervision and administration and in these days when ideas of state socialism have permeated even the older countries, one need not be surprised at the State taking more direct interest in these economic institutions, that affect a large mass of the population. At the same time as the President pointed out, in a movement like the Co-operative Movement which was one for the people, officialisation checked initiative, left little scope for the development of rural leadership, which alone can ultimately bring success to the Movement. The resolution therefore on the slackening of official control was a very important resolution which deserves the serious attention of all interested in the Movement.

After more than 40 years of state initiative, control and assistance, surely there must be some institutions at least which have so progressed and prospered that they at any rate could be well left alone and over whom official control could well be slackened. With the large increase in Co-operative Societies which appear likely in the post-war period, it would be an impossible

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thing almost for officials to maintain that effective and efficient control and the most correct procedure would therefore be to consider, how far and in which cases this official control could be slackened over Co-operative Societies. Of all classes of Societies, the Urban Banks appear to be the best fitted for this kind of treatment. They have prospered and done well and would be better still with the slackening of the control which often takes the shape of unnecessary interference of petty officials of the department.

Among the Resolutions that were passed at the Conference, several were of great importance. Co-operative Marketing, Industrial Co-operation and Consumers' Co-operation came in for a great deal of discussion and prominence. It was very clear both in this Joint Meeting as in the Registrars' Conference that the emphasis in the Co-operative Movement has passed on definitely from credit to non-credit co-operation. It is interesting to note that very many of the resolutions adopted at both the Conferences were more or less on the same subjects, though of course there was a difference in the point of view. The resolution on co-operative education, it is interesting to note, was more or less identical in both.

Another important resolution to which attention may be drawn was the very first resolution which mourned the death of the Hon'ble Mr. V. Ramadas Pantulu and called upon Co-operative Institutions and Co-operators to contribute handsomely to the Pantulu Memorial Fund. We trust, the appeal will reach the hearts of Institutions and workers and that a handsome amount would be collected which will enable co-operative work to be carried on and which may serve to be a fitting memorial to our departed leader.

FOURTEENTH CONFERENCE OF REGISTRARS

The Registrars of Co-operative Societies met at Bombay on the 31st July 1944 and two succeeding days. The Conference was very well attended and all parts of the Country were sufficiently represented by official and non-official co-operative workers. The Reserve Bank under whose auspices the Conference was held had done very good spade work indeed in collecting a mass of information on all important parts of the Agenda which helped largely in preventing digressions and usefully guiding the deliberations.

The Resolutions covered most of the subjects that occupy the minds of Co-operators to-day and are published separately in this issue. A few of them call for special attention from Co-operators.

The appointment of a Committee on Co-operation has long been overdue in view of the great expansion and diversification and the vicissitudes the Movement has undergone since it was reviewed in 1914 by the MacLagan Committee.

The Conference now definitely recognised that credit by itself was not a cure for the ills of Indian rural economy and that it should be linked up effectively with Co-operative Marketing and debt relief legislation in order

to bring about a balanced economy. The resolutions on Co-operative Marketing therefore deserve early implementing with all the earnestness and drive of the State. The results the Movement has achieved would have been vastly better if during the last 40 years this basic principle of linking credit with Marketing had been recognised and accepted.

The Resolution of the Conference on Cottage Industries also applies to the co-operative organisation of subsidiary occupations for agriculturists, and will have very important and far reaching consequences. The profitable utilisation of the agriculturist's leisure, for one-fourth of the year at least, would certainly be an effective help in wiping out the deficit in the budget and deserves the very serious and immediate attention of all concerned.

Another matter of importance stressed by the Conference was the one that related to training and education. There is no doubt whatever that co-operative training and education can no longer be allowed to be done in a piece-meal fashion and spasmodically. It has got to be treated as a very important matter for the Movement and should therefore be carefully planned and arranged for. While organisation in the Provinces by the Registrars and the non-official Institutes and by the Universities may be good enough, there would yet remain the need for a Central Institution—an All-India College—which would produce more highly trained co-operators who would make efficient members of the senior staff of Co-operative Departments and Institutions. It must be remembered that the All-India Association and its late President, Mr. V. Ramadas Pantulu, have always favoured the establishment of an All-India College and we hope the acceptance of this recommendation by the Conference of Registrars will mean an early materialisation of our cherished desire.

Apart from these resolutions, what struck one most was the realisation by all concerned that Co-operation will have a very important role to play in post-war reconstruction. Indeed, whether it is industrialisation or demobilisation, whether it is a "Grow More Food Campaign" or the "Savings Drive", Co-operation will be the basis for all efforts for the improvement of the standard of life of the great masses of people in the country-side. The Departments will have to be considerably extended and strengthened to cope with the demands that will be imposed upon them. But it must not be forgotten that the Movement can only succeed in all its fullness by the co-operation of the official and the non-official co-operators, so that the Co-operative Unions or the Institutes also should wake up and devise measures by which they can contribute their quota in post-war reconstruction on a co-operative basis.

THE WAR AND CONSUMERS' CO-OPERATION

Consumers' Co-operation has a definite and significant place within the frame-work of capitalistic structure. Notwithstanding its triumphs in production, capitalism has greatly failed in the distribution of what has been produced to the final consumers. Organized consumption is a desideratum whether it

is peace or war. Prior to the present war, consumers' co-operation languished on account of two important factors—the insistence upon cash transactions and the absence of a wide scope for selection. But war has produced a new set of conditions—of surplus purchasing power and a universal scarcity of consumer goods for civilians. In war time the ordinary consumer has more money and bothers less with the craze for “picking and choosing” than in peace time. He wants commodities but they go underground. Hoarding, profiteering and ‘black-markets’ become rampant. The time-honoured trade channels do not help the free flow of goods from the production end to the consuming end but are lost in bogs and marches. No more favourable auspices can be imagined for the growth of consumers' co-operation. The retail traders have become suspect and co-operative stores alone sell and that too at fair prices. They are the only oasis of social service in a desert of anti-social practices. Lifted up their high ideal, they are the most fitted to distribute the consumers' goods amidst temptations and avarice.

More than many years of propaganda, these circumstances have given a powerful impetus to the growth of consumers' co-operation in India. People have been mentally drawn towards it for obtaining many necessities. The movement has made huge strides in the provinces of Madras and Bombay. It has regained much lost ground in Orissa and the Central Provinces. In the Indian States like Travancore, it has gained a great momentum. However much it sustained growth and prosperity, needs the sympathy and encouragement of the Government. Already in many parts of the country, Government is showing preference to co-operative stores in the distribution of the controlled commodities like kerosene, sugar, cloth and food. At the same time registration of too many societies must be discouraged lest mushroom ones should come into existence. Liquidation of spurious societies is bound to jeopardise and retard more than any other, its growth. Further the Central Co-operative Banks must supply more liberally, yet on sound securities, financial aid for the purchase of stocks. Again integration of primary co-operative stores is essential to efficient and cheap service. In this connection the constitution of the District Central Stores and Co-operative Wholesale Society in Madras deserves mention. The Government must insist, as it has done in Madras, on the stores serving both the members and non-members without any discrimination. Instead of starting brand new units, primary credit societies may be encouraged to run stores, as it is done in the districts of Belgaum and Broach and the Central Banks can financially help the opening of Fair Price Shops.

No doubt, consumers' co-operation has gained immense strength since the outbreak of war. Its future will be assured only by blocking a large part of the profits for post-war needs when it will have to face again the mighty competition of the private trader. More than finance, its popularity and good will earned to-day must be preserved and strengthened by an insistence upon uniformly polite and clever salesmanship, which to-day cannot be described as its strong point. Co-operators should be level-headed in

these moments of prosperity. The uneducated and illiterate masses, who have been brought into its portals by the adventitious aid of war, must be retained within the fold even after the gun has ceased to fire. Consumers' Co-operation must not be merely a haven to take refuge in turbulent weather; it must serve for all time as a normal trading resort.

CO-OPERATIVE DISTRIBUTION OF CONSUMERS' GOODS IN BOMBAY PROVINCE

By

N. V. NAYAK,

Assistant Registrar for Co-operative Training, Poona.

Even in normal times, Bombay is a deficit province so far as its production of foodstuffs required for consumption of its population is concerned. On the outbreak of the war, the food supply position in the Province was gradually worsening, and distinctly deteriorated after the entry of Japan in the War, mainly owing to transport and other difficulties in getting supplies from without, and partly owing to the need for meeting a demand—though limited—for supplies to the Military and other essential services stationed in the Province. The prices of necessities of life were steadily rising and reached alarming heights particularly from about the end of the 1942 *Kharif* harvest. Government was doing all that was possible to improve the situation by securing the supplies from the surplus provinces and Indian States, by regulating the movement of foodstuffs within the Province to level down the surpluses and deficits of different parts of the Province and by trying to control the ceiling prices of food grains. In spite of these attempts on the part of Government, the hoarding of food grains by the consumers of means, and the more prosperous class of agriculturists and the black marketing practices adopted by both wholesale and retail dealers in food grains created difficulties in satisfactory distribution of the available supplies. Artificial scarcity thus created by certain anti-social section of the public whether on account of a feeling of insecurity as regards the future or with a view to profiteer caused general discontent—among the public and the poorer classes particularly the wage-earners and consumers with limited means found it difficult to obtain their domestic requirements at prices within their means. Government was not slow to anticipate these developments and had suggested as early as in 1939 itself the opening of Cheap Grain Shops and Provision Stores to be managed by agencies like local committees, municipalities, village panchayats, etc., which could be trusted to alleviate the sufferings of the poorer consumers and run the shops without any profit motive, and if need be, even at a small loss to be made good by public contributions. It was anticipated that the organisation of such shops would put a check on profiteering and contribute to the allround reduction of inflated prices. At the outset, the position as regards supply and prices of

foodstuffs was more unsatisfactory in urban or semi-urban areas than in rural parts, as the former have largely to depend on the latter, for its supplies and on imports from outside. Consequently a number of cheap grain shops or fair price shops were opened and run by agencies of the type mentioned above in a number of urban or semi-urban areas. These shops obtained their supplies by purchase from within the district or outside so long as no bans were imposed. Later on when bans on free movement or export of food grains came to be imposed to prevent their purchase by dealers for black marketing, to prevent alternative glut and scarcity in different areas if unregulated movements were permitted, or for other reasons, permits were issued to these shops by the District Magistrate to facilitate the purchase and movement of supplies from within the District and outside.

The Registrar of Co-operative Societies saw that these conditions afforded the co-operative movement an opportunity to play a useful part in the purchase and distribution of domestic requirements. The experience of the Store Movement during the last world-war had indicated the need for caution in free registration of independent stores societies. He considered that it would be desirable for the co-operative movement to undertake the work on more cautious lines by permitting at the outset well-managed salary earners' societies and urban credit societies and banks, to undertake the business of joint purchase of domestic requirements of their members on the indent system, as a preliminary step, and also as a mode of getting practical experience and training in the art of running full-fledged stores societies in due course. He issued a circular in 1939 exhorting the above classes of societies to undertake the work on the lines stated above. Model amendments to the bye-laws and model business rules were suggested. Some societies took advantage of these recommendations and started work on a modest scale. A few independent stores societies were also registered mainly in big cities, where enquiries showed that they had prospects of outliving the period of controls necessitated by War. The difficulties of obtaining supplies and pinch of high prices, however, began to be acutely felt by consumers all over the Province from about the end of 1942 *Kharif* harvest. The demand for co-operative organisation of domestic supplies began to be daily growing and growing more insistent. It was not always possible to lose time in placing bulk orders after collecting indents for supplies from members, as any small delay in getting certain kinds of supplies when available might often have meant not getting those supplies at all. It was not also possible to continue the sales of foodstuffs to members only. The authorities who helped the societies to obtain the supplies by permits etc., would not like them to leave other needy non-member consumers alone as that might have involved the setting up of an additional agency where one should suffice and be inconvenient to all the consumers in the area. More than the necessary number of retail establishments also meant more overhead charges and more work of supervision over their working. Requests were received from certain quarters that the societies which had

undertaken the business of distribution of domestic supplies to members on indent basis, may be allowed to make purchases to a limited extent on their own account and that they might also be permitted to sell the supplies to non-members. In the meanwhile comprehensive schemes for purchase and distribution of foodstuffs and other necessities of life particularly the controlled articles, were drawn up by co-operators in the district of Belgaum and Broach and they were approved both by District Magistrates and the Registrar. In the light of these developments, the Registrar issued revised instructions permitting well-managed A and B class salary earners' societies and urban credit societies and banks to make purchases of the supplies on their own account, to utilise a limited part not exceeding 15 per cent of their owned capital or Rs. 500 whichever was less in such purchases and also to sell the supplies to non-members. If the institution felt that the business was being cramped owing to inadequacy of funds permitted to be used for that purpose, they were recommended to raise additional funds by way of deposits earmarked for the purpose and accepted with the condition that they would be available as a guarantee fund to cover the losses, if any, suffered in this business. Funds used to make purchases on indents were not to be included in the limits laid down above for outright purchases on society's own account. These concessions were, later, extended also to well-managed and financially sound rural credit and multi-purpose and sale societies approved for the purpose by the Assistant Registrars and to whom the District Magistrates issued licences for distribution of controlled articles. Some central banks which were financing primary societies to run fair price shops under a licence from the District Magistrate, were entrusted with the work of wholesale or retail distribution in the areas allotted to them. The central banks were also permitted to invest a small fraction of their funds in the business where no other co-operative society was in a position to meet requirements of the situation. All these developments came in for a close review at a Conference of the Assistant Registrars held in the month of October, 1942 and in January, 1943 the Registrar issued a circular enclosing two sets of bye-laws and model rules suitable for adoption by urban and rural societies respectively. Since then the number of societies urban and rural, which have undertaken the work of distribution of domestic supplies have been steadily on the increase and the turnover of their business had been continuously increasing month by month. Before proceeding to deal with the later developments, it would be of some interest to mention some of the main features of the schemes that were put into operation in the Belgaum and Broach Districts.

The scheme for the Belgaum District was formulated by the local co-operators and departmental officers in September, 1942 and received the approval of the District Magistrate at the end of the month. Under the scheme, a number of rural and urban societies were selected for the purpose of running fair price shops to cater to the needs of the areas allotted to them under a licence from the District Magistrate. These shops were originally misnamed as cheap grain shops which from 24-11-1942 came to be called

Fair Price Shops, which in fact, they were from outset. Six of these urban banks, one purchase and sale union and one agricultural credit society out of these, are also being utilised by the District Magistrate for wholesale distribution of food grains and other controlled articles like sugar, kerosene, standard cloth etc. The Fair Price Shops run by a co-operative society for retail distribution are managed by a sub-committee consisting at least of two members of its managing committee on which are co-opted a leading member of the mercantile community, a prominent social worker and the headman and accountant, all of the place where the society's Fair Price Shop is situated. This sub-committee which is subject to the control of the managing committee elects its own chairman and secretary—paid or honorary. It meets at least once a week, estimates the kind and quantity of articles to be purchased, makes arrangements for their purchase, storage etc., fixes the rates at which different articles are to be sold, which in the case of controlled articles may not exceed the rates fixed by the District Magistrate, supervises the distribution work to ensure that it is done fairly and impartially and in accordance with the orders issued by the District Magistrate in this behalf. It is also responsible for, and carries on periodical checking of stock and cash, inspection of accounts and sends to the authorities concerned the prescribed periodical returns. Over and above these sub-committees, there is a Taluka Committee constituted, of the Taluka Mamlatdar, the Chairman of the Taluka Co-operative Supervising Union and a representative of the Central Financing Agency with power to co-opt more persons as and when necessary. These Taluka Committees are supervisory bodies, co-ordinating the work of all Fair Price Shops in a Taluka, and have power to inspect the accounts and working of the latter. At the apex is constituted a District Committee consisting of all the Prant Officers, the Assistant Registrar of Co-operative Societies in charge of the District, the Chairman of the Belgaum District Central Co-operative Bank, the Price Inspector and the District Co-operative Officer, who is also the Secretary of the District Committee. It controls the general lines of working of all fair price shops in the District, recommends to the District Magistrate the issue of a licence to any new Fair Price Shop which it considered should be opened in any new area, considers and takes steps to remove difficulties in the working of shops brought to its notice and serves as an advisory body in all matters of general policy relating to the smooth working of the Fair Price Shops. The original scheme was to open 26 shops, run by co-operative societies, throughout the District both in urban and rural areas. But their number has been steadily growing. It had increased to 40 by the close of June, 1943 and the latest available information indicates that it has further increased to 73 of which 8 are working also as wholesale distributors of articles like foodstuffs, sugar, kerosene, etc. Forty-nine of these shops are run by rural societies and the rest by societies situated in urban areas. The shops situated in towns to which the Rationing Act has now been applied are licensed as rationing shops. Some situated in towns to which the Rationing Act has not been extended still work as Fair Price Shops. Those situated in rural areas have

been recognised as licensed shops under a simplified rationing scheme for villages. The total sales of these shops was about Rs. 8 lakhs in 1942-43 resulting in a net profit of Rs. 18,072. It is estimated that the sales will increase to about Rs. 28 lakhs during 1943-44.

The scheme in the Broach District was slightly different from the one introduced in the Belgaum District. Instead of utilising various co-operative societies to run the cheap grain or to put it correctly Fair Price Shops, the Broach Co-operative Stores in collaboration with the financing agency of the District opened a number of branches in the City of Broach and various parts of the Broach District, on the approval of the District Magistrate, to run the shops. Beginning with 5 Fair Price Shops in August, 1942, the Store increased their number to 21 by the end of June, 1943 of which seven were in different parts of the Broach City and 14 in other centrally situated urban and rural parts of the District. The total sales during the period amounted to Rs. 24 lakhs and the net profits amounted to Rs. 32,406. The various shops run by the Store were supervised and guided by a committee of officials and non-officials with the Collector and District Magistrate as its chairman. An Executive Committee was also appointed to maintain close touch with the Fair Price Shops and to fix the prices of the different commodities received on permits. Each shop was to be supervised by a local committee consisting of the representative of the village or town, the financing agency and the Store Society with the taluka officer as its ex-officio chairman. The Store Society and some of its branches located in towns were also entrusted with the work of rationing of sugar and kerosene and the Store was recognised as an agent for sale of standard cloth in the district.

In both these schemes, the Revenue and Co-operative Departments and the financing agencies of the district have had large share in supporting and helping the proper functioning of the schemes. The Belgaum District Central Co-operative Bank undertook to finance the societies for their purchases at concession rate of 3 per cent and the Broach Bank gave the Store Society a cash credit of Rs. 4 lakhs of which two lakhs were on pledge of stock in godowns and the balance on a floating charge of the assets of the Store. As the shops run by the co-operative societies had to cater not only for members but also a disproportionately large number of non-members, the executive and supervising machinery had to be temporarily widened so as to include a fair element of officials and other persons representing the non-member consumers. In emergencies of the nature under which the work had to be taken up by co-operative societies in the interest of the public, certain departure from strict orthodox principles was inevitable. Apart from these schemes under which distribution of foodstuffs and other essential consumer goods was organised mainly through co-operative societies in two districts, the Co-operative Organisations are utilised in different districts by their respective District Magistrates, and Civil Supplies

authorities to a smaller or greater extent in their own discretion as Government had left it largely to them to choose the agencies for the work. In some districts like East and West Khandesh the District Magistrates utilised the Co-operative Organisations to obtain the supplies to a larger extent than for distribution. In other districts like Dharwar, the work of both purchase of foodstuffs and distribution of the same and other necessities of life was entrusted to a fair extent to co-operative institutions. One hundred and twenty-six co-operative societies in Dharwar District purchased and sold goods worth about Rs. 12½ and 12 lakhs respectively and netted a profit of Rs. 42,257.

Over and above these co-operative societies which have widened the scope of their objects to purchase and sell foodstuffs and other necessities of life for the benefit of their members, and in view of the emergency of other consumers as well, independent stores societies were registered particularly in bigger cities like Bombay, Poona, Nasik and Ahmedabad in response to a growing demand for their organisation from consumers who could not avail themselves of the service of other co-operative societies doing distribution work. Their number which was only 38 at the end of June, 1942 rose to 106 at the close of June, 1943. Membership increased from 11,069 to 28,858 and sales from Rs. 35,105 to 1,40,774. The Bombay Provincial Marketing Society served as an agent of the various consumers' and other societies in the city of Bombay and suburban areas which had undertaken distribution work for purchase and supply of their requirements on a small commission. It also functioned as the Chief Distribution Agency of charcoal in the city of Bombay and did the work by opening a number of authorised shops throughout the city. The following figures give an idea about the work done by the co-operative societies in this Province during the co-operative year 1942-43.

Type of Societies.	No. of Societies.	Supply to members and non-members.		No. of Societies.	Work as licensees of controlled articles.		No. of Societies.	Supplies to Civil Supplies & other Govt. Depts.
		Total purchase.	Total sale.		Total purchase.	Total sale.		
Central Banks ...	3	Rs. 31,678	Rs. 34,219	3	Rs. 2,50,060	Rs. 2,22,085	4	Rs. 9,14,698
Sale Societies ...	64	17,58,895	17,08,423	32	9,97,579	9,32,645	15	5,71,687
Consumers' Societies	54	29,82,329	27,60,057	43	6,48,252	6,51,226	...	...
Other Societies Urban and Salary Earners', etc. ...	356	30,20,245	29,33,723	26	91,726	87,112	9	8,64,977
Total ...	477	77,93,147	74,36,422	104	19,87,617	18,93,068	28	18,51,362

The main objective of the scheme was to check profiteering in essential consumers' goods and regulate their distribution among the needy consumers

in a fair and impartial manner has been amply fulfilled and secured wide recognition and appreciation. The work has also provided a good deal of practical training in business organisation and methods to co-operators and should serve as a useful acquisition when future development of the Consumers' Movement might be planned and executed. The work has also served to popularise, among the hitherto ignorant section of the public, the aims and ideals of co-operative movement which distinguish it from competitive or private system of trade. In spite of fairly low margin between the cost and sale prices of articles maintained by the societies, the amount of net profits have been fairly high. Owing to a large amount of work having been done honorary by co-operators and consequently the operating costs being maintained low, the societies were advised to reserve 80 per cent of these profits as a Special Development Fund which they have been doing. This should prove very useful to co-operators to embark on future development of the societies with greater sense of confidence and security.

The Rationing Scheme was introduced in Bombay on the 2nd of May, 1943, in parts of Bombay Suburban District on 4-6-1943 and in the Poona City and Suburban and Poona and Kirkee cantonments on 5-7-1943. A number of co-operative stores and other co-operative credit institutions secured licences to run rationing shops in these areas, and new store societies were started. Preliminaries were briskly going on to extend the scheme to other big cities like Ahmedabad, Surat, Hubli. In the meanwhile, Sir J. A. Madan, the President of the Bombay Provincial Co-operative Institute, addressed letters to all the Collectors and District Magistrates in the Province summarising the very useful work done by co-operative organisations in some districts in the matter of distribution of foodstuffs and other necessities of life and requesting them to utilise the agency in other districts also. The District Magistrate of Ahmedabad was very favourably inclined to co-operative organisations undertaking the work. A large number of store societies were organised by consumers of Ahmedabad city and two central stores were also organised for arranging the wholesale purchase and distribution of supplies to individual stores and other societies. Surat followed suit but instead of starting an independent central store, the Surat District Purchase and Sale Union continued with the approval of the District Magistrate to do the work of storage and issue of the supplies to the various co-operative stores and other rationing shops. As many as 297 consumers' societies were registered during 1943-44 mainly in the districts of Ahmedabad and Surat. In the first flush of enthusiasm the promoters of a number of store societies did not closely examine the prospects of economic working of their institutions. The employees were new and inexperienced. Steps, however, were taken promptly to train the paid staff, to reorganise a number of stores and to provide effective supervision over their working and periodical inspection of their accounts. This has greatly contributed to put their working on an economic basis and stabilise their position.

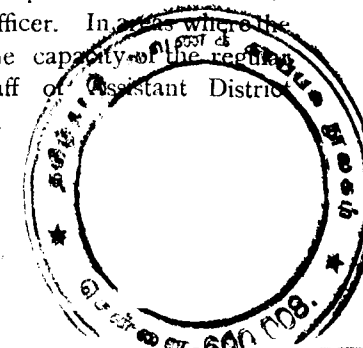
In March, 1944, Government introduced a Grain Levy Scheme. Under the scheme all holders of agricultural land in possession, whether owner cultivators or tenants, were required to sell to Government at prices fixed by Government for the local area quantities of food grains fixed on a graded scale according to assessment paid for agricultural lands in their actual possession and deliver it to Government Officer designated by the District Magistrate, for each local area. Those paying small assessment were exempted and the exemption limit and the scale of levy were separately fixed for each of the 31 groups in which all the villages of the Province were grouped. The whole scheme was devised with a view to create Government monopoly of trade in principal food grains of the Province with a view to make available for general consumption and at a reasonable prices as much as possible of the total production of foodstuffs grown within the Province, supplemented by the allotments made by the Government of India to the Province. This involved compulsory parting by cultivators of a part of the produce which would normally be in excess of their own family requirements. Various instructions were issued from time to time to avoid hardships in enforcing the levy. The scheme was followed up by extending the rationing scheme to a large number of towns, big and small, and also by devising a simplified scheme of rationing for rural areas for the benefit mainly of non-producers. Under the new distribution arrangements about 68 towns and cities have been brought under the rationing scheme upto the middle of September, and its extension to about 33 other towns is under consideration. How far the consumers will be interested in organisation of distributive co-operative societies in those areas where it was not developed in the past, now that supplies in these areas will be better regulated either from Government godowns or godowns strictly under its control and prices and retail distribution work will be subject to strict control and supervision by Government staff of the Rationing Department, is a matter on which no prophecy can be ventured. But if co-operative leaders and workers make systematic efforts to popularise the co-operative system of distribution which is more akin to the rationing system than any other and to which the public are getting more and more accustomed, the store movement would have more chances of surviving and thriving after the war. Purchases from a single shop, cash payments for purchases, fixed and reasonable prices for the commodities, regular maintenance of accounts and punctual submission of periodical returns are all points which, if consumers properly appreciate and get accustomed to, shall pave the path for future development of consumers' co-operation.

Whatever the effects of the extensions of the rationing system on the consumers' movement in urban areas other than a few cities like Bombay, Ahmedabad, Surat and Poona which have a fairly good number of store societies may be the extension of a simplified form of rationing in rural areas has had considerable influence on the distribution of controlled articles and other necessities of life through rural co-operative societies. Government

control and supervision over the rural distribution centres for food grains and other necessities of life like sugar, kerosene, cloth, etc., cannot be as close, continuous and effective as in urban areas. Co-operative organisations provide an excellent alternative to Government agency in this respect. Government have therefore, recommended to the District Magistrates that while they might allow the shops run by Village Mandals, Gram Panchayats etc., to continue wherever they are already working well, preference should as far as possible be given to a well-managed co-operative credit society or other body registered under the Co-operative Societies Act in selecting the agency for running a new shop on condition that the society shall give no preference whatsoever to members over the general public in their distribution work and that the Assistant Registrar should be consulted in selecting the society. In view of this policy of Government the Registrar wrote to all the Assistant Registrars indicating the lines on which the work may be taken up in the districts. He suggested that instead of multiplying the agencies or experimenting with new ones, existing good credit and multi-purpose societies should be utilised as far as possible by broadening the basis of the former and virtually converting them into multi-purpose societies. In areas where no such societies were existing and clear scope for work existed, fresh multi-purpose societies and even stores societies might be registered preferably the former. He has at the same time warned that where the societies had no prospects of successful working as economic units or their proper supervision could not be ensured, the work may be left to other agencies. In accordance with this policy a number of societies in rural areas have started functioning as rural food grains distribution centres. The total number of centres approved for the work, the number of centres which are working and the number allotted to be managed by co-operative societies differ widely from district to district. The terms on which food grains are required to be distributed by co-operative societies also differ from district to district. Much depends, still on the discretion of the District Magistrate. The following figures¹ for September, 1944 will indicate the position in this respect.

Supervision over the stores in urban areas where their number is large is entrusted to an independent auditor or sub-auditor appointed for the purpose who also audits their accounts. If, however, the number is too large for the Departmental Officer, both to supervise and audit, the Registrar has been empowered by Government to allow their audit being entrusted to professional Auditors. Where the number in any area is limited, the regular departmental staff attends to the supervision and guidance of these societies. The rural centres, where there are few, are looked after by the Union Supervisors and the Departmental Assistant District Co-operative Officers under the general guidance of the District Co-operative Officer. In areas where the rural distribution work has expanded beyond the capacity of the regular supervision and organisation staff, special staff of Assistant District Co-operative Officers is appointed for the purpose.

¹ Please vide statement overleaf.



Statement indicating the position as regards rural food grains distribution centres (shops) for the month of September, 1944.

District	Centres allotted to Co-operative Societies.				Commission allowed on sales.
	Total No. of centres (shops)	No.	Jurisdiction of the centre	Quantity distributed at the centre per month	
Ahmedabad	142	134	Area within 5 miles radius	100 to 150 mds. at small centres and 800 to 1,000 bigger	3½ p.c. + cartage 2½ as. per mile per md. from godown
Kaira	259	239	do	...	Rs. ½ to Re. 1 per md. + cartage
Broach	64	64	Area 2 to 4 miles radius	100 mds. (average)	3 p. c.
Panch-Mahals	44	39	5 miles radius	...	4 p.c. rural 5 p.c. for Godhra
Surat	158	149	2 to 3 miles radius	100 mds. (average)	Not fixed
Thana	139	139	5 miles radius	...	12½ p. c.
Ahmednagar	367	292	do	5 to 250 mds.	3 to 6½ p. c.
East Khandesh	151	147	7 to 10 miles round about villages	125 mds. (average)	7-13/16 p. c.
West Khandesh	121	96	Within 3 to 5 miles radius	125 mds. (average)	5 p. c. on jowar and 2½ p. c. on wheat
Nasik	164	157	6 to 7 villages round about	193 mds. (average)	Re. 1 per bag
Poona	189	188	5 to 10 villages round about	...	6½ p. c.
Satara	230	217	2 to 10 miles radius	160 mds. (average)	Rs. 1-3/2 p. c.
Sholapur	106	101	5 miles radius	500 to 750 mds.	Not fixed yet
Belgaum	819	701	One village	25 to 37 mds.	4 p.c. to 5 p. c.
Bijapur	124	84	5 to 7 miles radius	50 to 75 mds.	...
Dharwar	136	105	5 miles radius	163 mds. (average)	Not fixed
Kanara	182	152	3 miles radius	...	Rs. 1-4-0 per bag of rice and Rs. 2 for other cereals
Kolaba	159	159	5 miles	...	6½ p.c. on cash purchases 4-11/16
Ratnagiri	395	395	...	...	p. c. on credit
					4 p. c. plus 1 anna per mile per bag.

CO-OPERATIVE DISTRIBUTION IN C. P. AND BERAR

By

K. N. NAGARKATTI

Registrar, Co-operative Societies, Central Provinces and Berar.

In the Central Provinces and Berar the co-operative movement was very weak at the time of the commencement of the war. A large number of banks particularly in Berar had to be saved from liquidation by Government's intervention. A special rehabilitation scheme was applied to these banks by Government which even passed certain important amendments to the Co-operative Societies Act, 1912, in order that the rehabilitation scheme may work well.

By the time the rehabilitation scheme commenced war had broken out. But although it was anticipated that prices would rise during the war and therefore the recovery of the co-operative movement would be quickened, it was not expected that complete recovery would take place in less than about 15 to 20 years. The changes in the economic conditions due to the war were however unexpectedly favourable to the co-operative movement. The result was that the banks were able to recover from their financial difficulties during the first five years of the war. The Government of the Central Provinces and Berar has now taken steps to permit all banks in C.P. and Berar to resume normal activities. The recovery of these banks has been a great fillip to all co-operative activities in the Province.

The war was inevitably accompanied by various restrictions regarding the supply of essential commodities to the civil populations. The severity of the restrictions was sufficient to make the lay-man realise the value of working on co-operative lines. What would have taken several years of propaganda to achieve was actually achieved in a year or so by the conditions prevailing as a result of the war. People in towns realised that they should come together under co-operative institutions and take over the problem of distribution of consumer goods amongst themselves in order to minimise if not altogether do away with the mischief and exploitation in which the private traders indulged.

In urban areas there are now a large number of co-operative stores. In rural areas too there have been a great many. In the city of Nagpur we have now a recently established Central Wholesale Co-operative Store. The total volume of business of all these store societies during the year 1943-44 was in the neighbourhood of Rs. 40 lakhs. The progress is rapid as far as this Province is concerned, but, certainly not so when compared with other provinces. The difficulties are sometimes as great as the opportunities afforded by the war conditions. There are the usual problems and difficulties of transport, of supplies and of honorary workers. There is yet another difficulty; this being due to the lack of co-operative education amongst the

officers of the other departments of Government with the result that the co-operative store movement often comes up against unexpected and severe opposition from the officers of other Government departments. Where such opposition exists the co-operative store movement has had to labour under a series of handicaps. Very often it is the subordinate officers of these other departments who display their lack of faith in the efficiency of co-operative institutions. Sometimes, no doubt, it is true that these officers hesitate to assist the co-operative movement because they are reluctant to part with the vast and enormous powers vested in them by Government for granting and withholding licences and permits to sell controlled articles. The extent to which this power has been misused often determines the extent of opposition to the co-operative store movement. But the store movement has come to stay and if it did not have to fight its way through it would perhaps not have been as strong as it is to-day. In this connection I would like to quote below from one of the resolutions passed at the 14th Registrars' Conference held recently in Bombay :

"The staff of the Revenue, Agriculture and other development departments should receive adequate training in co-operative principles, and the rural co-operative field staff should receive a short training in agriculture." (*Resolution No. (VIII) (4).*)

I remember that during the discussion on this resolution many speakers, officials as well as non-officials, gave expression to their feelings that the co-operative movement did not progress as much as it should have because of the lack of education regarding co-operative ideals amongst the officers of the Revenue, Agriculture and other development departments of Government.

In the Central Provinces and Berar the development of village stores has been an important feature of the new phase of the co-operative movement. These village stores cater for seven to eight villages or for populations not exceeding 5,000. The unit is big enough to provide business and therefore profits which can make it a self-sufficient one. The average village store has a salesman on about Rs. 14 per month and pays a shop rent of about Rs. 3 a month. The village stores in a Tahsil affiliate themselves to the Taluq Agricultural Association which functions as a wholesale society. The village societies contribute Rs. 3 a month to the Tahsil Agricultural Association as contribution towards the pay of supervisors employed and maintained by the latter. These supervisors get about Rs. 60 per month and look after the working of about 20 to 25 village societies. These village societies are multi-purpose societies, and sale of consumer goods is not their only function. The sale of surplus produce either to Government or to other purchasers is also arranged by them through the apex organisation, namely the Tahsil Agricultural Association. For instance I might mention the procurement work done for Government by several agricultural associations and also sale of surplus *tur-dal* by the Amraoti Taluq Agricultural Association to the Triplicane Urban Co-operative Society at Madras. One important

business rule in the case of these village societies and also in the Tahsil Agricultural Associations is that the liability of every share-holder to the debts of his society must be fixed at an amount between three to five times the face value of the shares held by him. This provision creates a reserve borrowing capacity for co-operative societies, and it has helped banks to advance money to these societies especially at a time when, due to the weakness of the co-operative movement, there was no sufficient confidence in the capacity of these societies to manage their affairs. The Tahsil Agricultural Associations are also multi-purpose associations. They will act as wholesale stores. But in addition they will distribute seeds and manure; keep implements on hire; assist the agriculturists in marketing their produce; and so on. In this connection I may mention that one agricultural association in the Province has just purchased a rice mill in order that it may mill the rice of the agriculturists at reasonably low rates and thus break the monopoly of the few rice mill owners in that area.

These developments have no doubt been facilitated by the war conditions. We are devoting considerable attention to the stabilisation of these activities and their continuance after the war. We encourage dealing in non-controlled articles. We also encourage societies to keep on sale the products of cottage industries and subsidiary occupations. We advise them to sell medicines at cost price, and keep on hire articles such as vessels, sick-room requisites, etc. We are trying to build godowns and own such capital equipment as will help the societies to render to the members such services as are possible during peace time. We are trying to link up producers' societies with consumers' societies. I might mention two or three instances of such linking up of societies. The ghee producers' association in one part of the Province has appointed the Central Wholesale Consumers' Stores in Nagpur as its sole agents. I have already mentioned above the similar transactions of sale of surplus pulses by the Amraoti Taluq Agricultural Association to the Triplicane Urban Co-operative Society at Madras. The Central Wholesale Stores, Nagpur, is also trying to get its supply of rice for its 30 affiliated co-operative stores in the city of Nagpur direct from a producers' association (a district growers' association) in the rice tract of this Province.

In the case of weavers too, the co-operative movement has made considerable progress during the last 12 months. The central co-operative weavers' society namely the C. P. and Berar Weavers' Co-operative Society, which follows business methods similar to those of the Madras Weavers' Co-operative, now purchases a good deal of yarn direct from the textile mills and sells it to the weavers at reasonably low rates through the affiliated primary weavers' societies.

In the aboriginal areas we have started multi-purpose societies on models similar to the village societies mentioned above. Such societies cater to about 25 villages the number being large because of the small populations

of aboriginal villages. For societies in aboriginal areas a manager at Government cost is appointed as it is not possible for the aboriginals to raise sufficient share capital to meet recurring expenses from the very start. It must be mentioned here that all dealings between the primary store societies and their members, whether such societies are in urban areas or in aboriginal areas, must be in cash. No credit dealings are allowed. This restriction has been placed in this Province in view of the fact that the history of credit co-operation in the Province was most unenviable.

CONSUMERS' MOVEMENT IN ORISSA

By

ANANTA PRASAD PANDA, B.A.,

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The Consumers' Movement, it is needless to say, is a new comer to the field of Co-operation in Orissa. It is a baby born out of war conditions so to say. Due to the emergent measures taken under Ordinances restricting the free movement of goods, the so-called time honoured normal trade channel which was so long in the hands of private traders was blocked more or less and the well recognised principle of demand and supply could not keep its flow regular and free of contamination.

Taking advantage of this peculiar situation the private dealer, however otherwise honest he is, was prompted by a peculiar psychological urge to take recourse to such malpractices as are commonly known as black marketing. As a result, the consumer perhaps for the first time in this country, felt the pinch in getting the necessities of his life and his earning capacity could hardly allow him to meet his demands. The consumer who was very badly affected by black marketing, felt perhaps for the first time, the necessity of taking the control into his own hands in the matter of getting his necessities of life by organising Consumers' Co-operative Stores. This led to the start of the Consumers' Movement.

The Central Government as well as the Provincial Governments gave a timely fillip to this movement by declaring their wholehearted support to the Consumers' Movement as an effective measure to check the propensities of hoarding and black marketing often resorted to by the private dealers. As a result, provinces like Madras could start hundreds, nay thousands of Co-operative Stores federated into Central Wholesale Co-operative Stores.

This baby province of Orissa also did not lag behind and it started a lot of Co-operative Stores specially in the two southern districts of the Province, namely, Ganjam and Koraput, where not less than 50 Co-operative Stores were working by the end of the co-operative year 1943-44 commanding a business turnover of about 14 lakhs of rupees. The rapid progress and popularity of the movement in the two southern districts of Orissa may be judged from the fact that by the close of the co-operative year 1942-43, the

total business turnover of the Co-operative Stores was only two lakhs and odd rupees which was increased seven-fold by the end of the co-operative year 1943-44. This spectacular progress of the Consumers' Movement in South Orissa is due partly to the effective propaganda made in this connection supported by a contact with the neighbouring province of Madras and partly due to the sympathy and preference shown by the Revenue and Civil Supplies Departments in supplying controlled commodities to the Co-operative Stores.

In the northern districts of the province, such a spectacular result could not be achieved partly due to the fact that the Co-operative Credit Movement had received a great set-back like all other provinces of northern India and, as a result, every co-operative effort was viewed with distrust by the public and partly due to the lack of sympathy of the Revenue and Civil Supplies Departments. In the district of Puri, however, the largest number of Co-operative Stores could be organised, the figure by the end of 1943-44 being 30 with a business turnover of Rs. 4 lakhs and this was mainly due to the sympathy and preference shown to the movement at its start by the then District Collector of Puri who is fortunately now the Registrar of Co-operative Societies of this province.

In North Orissa, however, 41 stores were working by the end of the co-operative year 1943-44 commanding a business turnover of eight lakhs of rupees. Recently a Central Wholesale Co-operative Stores with a huge authorised capital has been started in Sambalpur and the report so far received forebodes a promising future.

It is, however, regrettable to note that the premier and the central district of the Province, I mean Cuttack, could not show any spectacular progress in the Consumers' Movement mainly due to the fact that it could not get such sympathy and preference as it required being a new comer to the field of trade and commerce. The plea of not disturbing the so-called time honoured trade channel often raised by the controlling authorities of Civil Supplies stood in the way of the progress and development of the Consumers' Movement in the Cuttack District like an unsurmountable stumbling block despite the Government policy openly circulated for showing preference to Co-operative Stores and the sincere attempts made by the Registrar and the Deputy Registrar of Co-operative Societies of the Province. Recently, however, in a conference of the Heads of Departments convened by the present District Collector of Cuttack, it has been proposed as a result of the move by the Deputy Registrar that controlled commodities shall be supplied to a few selected Co-operative Stores of the Cuttack District as an experiment. This, however, shows a silver lining of hope in the future progress of the Consumers' Movement in the district of Cuttack.

Thus it may be seen that the Consumers' Movement being a new comer to the field of trade which was so long the monopoly of private dealers, so far as this country is concerned, requires at least a lot of backing, sympathy, accommodation and preference by the authorities in charge of civil supplies

so that it may grow strong and healthy to compete successfully with its old and mighty rival, the private dealers. Once this is assured, I am confident, the Consumers' Movement will grow strong and will be able to capture the field of trade eliminating the parasitic exploiting agency of the middle man and thus will ultimately prove to be a boon to both the consumers and the producers by linking up the two mighty arms of the Society by direct contact.

CONSUMERS' CO-OPERATION IN TRAVANCORE

By

P. PARAMU PILLAI, B.A., B.L.,

Secretary, The Travancore Co-operative Institute.

Introduction.—The Travancore Co-operative Societies' Act (X of 1914) was modelled exactly on the lines of the amended Indian Act (II of 1912) and it was placed on the Statute Book on the 4th April 1914. Gradually societies began to be registered under it in all parts of Travancore. The first co-operative institution registered under the Act was the Travancore Co-operative Apex Bank, called as the Travancore Central Co-operative Bank and so misunderstood often by outsiders as a Central Bank of the type obtaining in British India. From the very beginning of the movement Consumers' Co-operation engaged the attention of co-operators and the 4th Society on the register is the first consumers' society in Travancore, and at once the premier one of its type in the State.

Origin of Distributive Society, Ltd., No. 4.—Even before the Co-operative Act came into force in Travancore some enthusiastic co-operators including a few who had direct knowledge of the working of the Triplicane Urban Co-operative Society, thought of the advisability of starting such an institution in Trivandrum. The leading officials, advocates and businessmen, who were residing in the heart of the town had to get their requirements of provision articles from Chalai Bazaar, nearly two miles away from the Public Offices and so they thought of organising a distributive society for their convenience. Some enthusiastic gentlemen at once hired a shop and purchased provision articles in bulk, and placed them there for sale. The idea was very much appreciated, but cash transactions being the rule, some wanted to keep away. That experiment did not continue long, and after the Co-operative Act came into force, they organised themselves into a co-operative and registered it as Distributive Society No. 4. The Society being the first of its kind in Travancore, had to chalk out its lines of business anew, and gradually it grew to considerable dimensions. Members joined it in numbers and in order to cater to the needs of the growing population of Trivandrum, it had to establish some fifteen branches at various important parts of the town. Thanks to the selfless services of the pioneers, the Society has built up a tradition of efficiency and maintained it, all these years, and many distinguished visitors from outside have recorded their

extreme satisfaction at the work of the Society. What the Triplicane Society is to Madras, the Distributive Society is in Travancore. Since the outbreak of the present war, the Society has tried to take up distribution of controlled commodities under the Rationing Scheme and it now distributes sugar and kerosene, in addition to food grains and provision articles, and it is having sales to the tune of Rs. 3,000 to 4,000 daily.

The history of the Distributive Society in Trivandrum, should not lead us to the conclusion that consumers' movement had taken deep root in the land. Of course the example of the Society was an incentive to the people of Travancore to start such societies in other parts as well. But the early attempts did not fetch the same amount of success and many societies which were registered remained dormant or were wound up. The 5th All Travancore Co-operative Conference held at Shertalai served as a strong stimulus for the starting of consumers' societies. Sri Hanumantha Rao and Mr. Sivarama Menon who opened the Conference and presided respectively were connected with the Triplicane Stores and they exhorted the audience to begin activities in that direction. At that time there were only a dozen societies conducting stores, and development was very slow.

A New Phase.—Directly as the result of the stimulus given by the exhortations of such advocates of consumers' movement, as Sri Hanumantha Rao and also as a result of the need of the times, some enthusiastic co-operators, thought of organising stores in schools and colleges, for stocking the requirements of students and selling them at moderate prices. The school stores mark a new phase in consumers' movement in Travancore. By 1925 the first school store was started and gradually school after school started stores for the use of their students. The premier institution of the type is the Travancore University Co-operative Stores at Trivandrum. It stocks stationery, books, sports articles and laboratory appliances for the use of the colleges in the City and the business of the stores has considerably expanded in recent years. The unique advantage it affords to students has added momentum to the store movement in schools and colleges. By 1940 the number of such stores rose to twenty and some of them had splendid business to their credit.

Multi-purpose Movement.—The store movement got an impetus about the year 1939, owing to a temporary enthusiasm for organising multi-purpose co-operative societies. The then Registrar of Co-operative Societies was an ardent advocate of the multi-purpose type of societies and he carried on vigorous propaganda for the organisation of such societies. Among multi-purpose activities, store business was very important, and the idea was to have one multi-purpose society for each *pakuthy*, the smallest revenue unit of the State. In the course of about 2 years not less than 57 multi-purpose societies came into existence, including some big credit societies which converted themselves into multi-purpose with suitable amendment of bylaws. Thanks to the vigorous efforts of the co-operators and the Registrar;

not less than a dozen stores owe their birth to this new drive and it may be said to their credit that the stores started by the multi-purpose societies are doing very useful business.

The War and the Movement.—But the real motive-force for this new endeavour was supplied by the present war. With the entry of Japan into the war, the food situation in the State became very acute as in other parts of India and Government had to control the food grains and some other articles of daily use. The difficulty of getting stock of food grains and distributing them equitably among those who needed them set consumers a-thinking. They really felt the need of societies of their own for stocking and distributing controlled commodities and accordingly many new societies were registered. Licence from the Director of Food Supplies had to be obtained for stocking and selling controlled articles, and the Department and non-official institutions like the Travancore Co-operative Institute and the Supervising Unions under them carried on vigorous propaganda among societies to come forward to take up distribution work. Though there was not any preference to co-operative societies in the rationing order, they applied for licence like private traders. Not less than four hundred societies in all, pure stores and credit societies including, out of a total of about 1,500 societies, managed to get licence and were conducting distribution business at the close of 1942-43. Credit societies temporarily stopped their loan business and began distribution as they could not shirk their responsibility in what was an essential service to the people at large. It is interesting to note that some unions carried on vigorous propaganda, for bringing the whole distribution work in their areas, under the agency of co-operation, and that some have even gone to the extent of setting up experimental societies for distribution in places not covered by any co-operative.

The year 1943-44 marks still further progress in the number and volume of business of distributive societies. This period saw the introduction of State-wide rationing of food grains, under the new State Rationing Scheme. Many more societies were registered for wholesale and retail business during this period, and most of them have collected good shares, so as to enable them to launch on the work. The ration cards of the previous year were cancelled along with the displacement of the old scheme and societies had to get authority anew. The Registrar, initiated distribution work in the City of Trivandrum, under the auspices of the societies in a dramatic manner. He impressed on Government, the need to show some preference to co-operative societies, by exempting them from the rule of cash deposit insisted on as the condition for grant of permit under the Rationing Scheme and it was allowed. The scheme was gradually extended to all parts of Travancore, and that the societies have not kept idle can be seen from the number of store societies which have come forward to take up distribution. The position of the consumers' societies in Travancore at present was explained by the Registrar of Co-operative Societies, during the last session of the Sri Chitra State Council when he moved the demand of the Co-operative

Budget and it will bear quotation. He said inter alia "There has, as a result of the conditions brought about by the war, been an appreciable accession of purely non-credit societies; and the affiliation of non-credit side to credit institutions by their transformation into consumers' societies. Of about 1,600 societies working at the end of M.E. 1119 (1943-44) as many as 822 societies were engaged as licensees for the wholesale or retail distribution of controlled food grains, sugar and kerosene oil; thanks mainly to the confidence and encouragement afforded by your (Dewan's) generously exempting them from the rule of security deposit and thereby raising them from the rank of petty traders. The work was undertaken as a co-operative act of public service and not for profit making. Out of the total of nine lakhs of ration cards issued in the State, the societies have been entrusted with—not secured by promise of credit sales or other blandishments by the consumers—1,34,775 cards or more than one-eighth of the total number issued, and they distribute 10,19,327 units a week. One Society in the City issued sugar on 19,000 cards and handles 1,000 bags of sugar a month; thanks to the uniform support of the Sugar Controller and unremitting kindness of Government. Five hundred and ninety-five societies in the mofussil handle more than 2,000 bags of sugar, and about 500 societies sell 3,000 tins of kerosene oil in retail a month. Societies are thus trying to spread sweetness and light into many houses, if one might adopt that classic phrase of Mathew Arnold. . . . The financing of this huge business has been rendered possible by deposits from members, better collections of dues, curtailment of loan issues and generous help by the Travancore Central Co-operative Bank which has advanced substantial overdrafts and loans for this work. . . . The business experience gained and the spirit of selfless public service promoted in the working of consumers' societies is an invaluable asset and the gains of the war-time efforts will be a spring-board for further endeavours in the years to come."

Production and Sale Societies.—The war has immensely increased the activities of production, both industrial and agricultural, in some societies in the State, specially organised for the purpose and some credit societies which have added to them such activities with permission. A vigorous State-wide propaganda was carried on for "Grow More Food Campaign" under the aegis of co-operative societies, and as a result of it about two thousand acres have been brought under cultivation by them. A credit society which was almost at the verge of liquidation near Trivandrum, taking advantage of the availability of Government lands in its vicinity screwed themselves up at the advice of some enthusiasts, and began cultivation of tapioca in an area of about three hundred acres of land and the result has been considerable addition to foodstuffs. In the course of the last two years the society has come up to "A" class and is doing commendable service now by supplying large quantity of tapioca tubers in the markets. Many other societies have also taken to cultivation and their labours have gone a long way in easing the food situation at a time of emergency.

The record of industrial societies has been more spectacular. The Travancore Central Weaving Co-operative Society multiplied its weaving business considerably, and it has been able to supply piece-goods of particular specifications on orders placed with it by Government, and general consumers. The Society also distributes yarn to member societies and takes cloth made by them according to their particular specifications. The bleaching and finishing process is done at the Central Society, and the goods are sold in the Head Office and its emporia at Nagercoil and Trivandrum. The total turnover in 1942-43 was about Rs. 14 lakhs and the Society earned a net profit of about Rs. 18,000. The Society also engaged in the production and sale of tapioca starch for the Textile Mills of India and the business grew to very huge dimensions. The starch is used for sizing of textiles and is in great demand; but owing to acute food situation Government had to prohibit export of tapioca in any form in consideration of its food value. The Society engaged in vinegar making, production of sago, flex, etc., and on the whole, the society's work is creditable.

Societies for production and sale of screwpine mats and mattings; palmyrah mats; jaggery; wood, metal and ivory works, etc., have improved considerably, and all of them are doing splendid business. The Screwpine Society at Thazhava, and the Viswakarma Societies at Trivandrum are having big orders from outside, and even inside the State, and war has been to them a veritable blessing in disguise. Poultry Farming Society and the Bee-Keepers' Society at Martandam are sending out large quantities of eggs and honey of quality,—some of the multi-purpose societies have besides store business, cultivation of food articles, poultry, sericulture, spinning and weaving, composting of manure and manure depot; etc., to their credit.

Conclusion.—The awakening of the activities of societies is a good turn indeed, and consumers' societies and other non-credit societies are making headway. How to keep up the present enthusiasm and harness it to the successful handling of the difficult task ahead in the post-war period is the problem of problems engaging the attention of co-operators, here as elsewhere. I think it is the paramount duty of all those who have the well-being of our country at heart to join the forces of co-operation and make it a live force in the national economy. We hear of plans for "post-war reconstruction"—Government, plans and private plans—but we co-operators ought to stand up and ask, what is the place assigned for co-operation in those plans. Officials and non-officials have thundered on many a platform that the only solution of the rural problem of India is co-operation, and "If co-operation fails, the best hope of Rural India fails". If we are true to our words, and if the Royal Commission stated truth when they said the above words, we should see that the regeneration of the economy of India is based on the co-operative foundation. It is up to co-operators to prepare a definite plan for the reconstruction of our seven lakhs of villages and submit the same to Government to be adopted as a supplement to the central plan. To work out the plan means immense outlay, and in the period of reconstruction

Government should supply the necessary finance as per the plan; and therefore it is imperative that the Government should approve the plan and make up their mind to work out the same. International talks and other talks have shown the value of co-operation in the future world order; but as we near victory, other mighty considerations have almost dwindled its importance and unless co-operators take the lead there is every likelihood of its giving way before other interests. We want national and international peace, justice and prosperity, and it is our firm conviction that it can be only through co-operation. To avert war in the future, to usher in a new era of peace, justice and prosperity, and to set up international comity of nations on solid foundations we want co-operation; and if the mighty nations ignore it, let us give them the timely warning and see that they co-operate for the welfare of humanity.

THE SECOND CENTURY—WHITHER BRITISH CO-OPERATIVE?

By

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Anniversaries are usually a time for rejoicing. They also offer an opportunity to review the past, and to determine that in the future, mistakes already made will be corrected.

From amidst the welter of self praise and congratulation which has accompanied the celebration in Great Britain of the Centenary of the Rochdale Pioneers, has emerged at least one attempt to take a realistic view of the past, present and future.

Through the medium of a brief review of the newly established "Second Century Group's" pamphlet "Pattern for Progress", it is hoped to indicate the problems which now confront the British Co-operative Movement. The writer also trusts that Indian Co-operators will thereby be stimulated to take a still greater interest in the Consumers' Co-operative Movement now so rapidly developing in their own country.

No democratic Movement can rest for long on its past laurels. If it is to retain its popularity and progressive outlook, it must be ever aware of the changes constantly occurring within Society.

To this golden rule, the Co-operative Movement is no exception. As "Pattern for Progress" indicates—"A thorough overhaul is imperative if the Movement is to play its part in the days that lie ahead".

The Group's opinions as to the aims of a voluntary Co-operative Movement in a world moving towards a planned economic system (viz. Beveridge and Bombay Plans), are worthy of very careful consideration. They are embodied in the following declaration:—"The function of the Co-operative Movement is to serve the community by uniting people with common

interests as consumers and producers on a democratic and equalitarian basis. Further, to work for the transformation of a profit seeking society to a community directing and controlling its own economic and social services, so as to ensure the greatest happiness and well being of all its members. In pursuit of this objective, it seeks to maintain and extend its power in economic and cultural life, and to collaborate in the extension of all forms of democratic and collectivist enterprise, pending the time when society is prepared to apply the principles of Co-operation universally".

Decisions now being made may determine the future of Co-operation for a generation to come, possibly even its survival.

The National Authority's enquiry, commenced in 1942, is unfortunately proceeding on the same lines as its counterpart of the last war. Much attention is being directed towards machinery—little towards broad development. As S. C. G. (Second Century Group) aptly states: "It is using a microscope instead of a telescope".

The challenge is this—Is the existing Movement an aspect of a dying system or a forerunner of a new idea? If British Co-operation recognises its mission, it will transform its whole system of thought so as to serve the greatest of all causes.

Integration is the first essential. The principal obstacle standing in the way of its achievement is confused thinking. S. C. G. is of the opinion that there is more than enough of confused thinking in the British Movement, especially as to functions.

With characteristic forthrightness the Group indicates that at the moment the main function of the Co-operative Movement in Great Britain is the encouragement of thrift. If dividend, free insurance etc., are removed, what remains? A certain amount of consumer education and protection, which receives but little public recognition. Indeed, the Government treats the Movement more as a vested trade interest than a consumers' champion.

Again, after a hundred years of continuous development, the majority of members have very little conception of the power of organised consumption.

The Movement's claim to survival rests on how it discharges the functions which it alone is capable of discharging.

Thrift is certainly not such a function. Adequate saving facilities already exist in the United Kingdom outside the Co-operative Movement. Nor is Co-operation the only medium of distribution. Average purchases of under Sh. 14 weekly (approx. Rs. 9, As. 6), demonstrate that many members are trying to make the best of both worlds.

What then is the fundamental claim of Co-operation to survive? It is its uniqueness resulting from its power to mobilise consumers as an active element in the economic system. In brief, it shows the way to the "enfranchisement of the consumer in economics".

Secondly, Co-operation is the "highly developed technique of mutual aid appropriate to complex modern social system".

Obviously, then, the future of Co-operation in Great Britain depends on its ability and willingness to remodel the Movement and to fight for its proper place in the social system of to-morrow. It must generate sufficient mental energy to combat what S. C. G. calls "syndico-fascism" i.e. "the wielding of supreme power by monopoly capitalists at the price of conceding a measure of social security (Beveridge and water) to the workers". Here, I must express possibly my one and only disagreement with "Pattern for Progress". Monopoly capitalism has by no means conceded Beveridge. In fact it has fought social security most vigorously, precisely because it represents a real measure of social progress.

In the future, the Movement may be called upon to sacrifice some of the commodities in the distribution of which it has been most successful, e.g. milk supply. Nevertheless, the sacrifice of principle involved would be far greater if beneficial social reforms were combated. In this direction, the attitude of the Co-operative Insurance Society towards the Beveridge Report (already referred to) is worthy of the highest commendation.

In the event of the establishment, during the post-war era, of public monopolies in important commodities, British Co-operation must secure adequate representation on the executive and policy making bodies concerned. Furthermore, it must be ready and willing to explore the hitherto neglected avenues of approach to the consumer (e.g. Health, and housing). The Co-operative League of the U.S.A. has already demonstrated the potentialities of the Co-operative Food Store as a Peoples' Centre of Health.

The S. C. G. believes that the all necessary unity cannot be achieved under the present machinery of Co-operative Government. The central organisations (C. W. S., S. C. W. S., Co-operative Union, Co-operative Productive Federation, etc.), are rarely in harmony with one another. Overlapping is far too frequent. The sense of social purpose has been sacrificed to business advancement.

The Group advocates the abolition of the present division into 'sides' (education, political, etc.), by the establishment of a single National Federation, which can tie together economic and moral activities. The Ko-operativa Forbundet of Sweden is a good example of such a Federation. Above all, this body must be unitary, and not organised on a joint basis.

The S. C. G. next considers the gross inequality in the size of retail societies. Haphazard amalgamation is no solution to a problem, which has probably received more attention in Co-operative circles during recent years than any other. Regional or District Retail Societies based on density of population, and lines of transport, are what is needed.

The Group is unequivocal in its condemnation of J. C. Gray's proposals for the creation of a National Co-operative Society, which some 36 years

after their original propagation still have many supporters. Such a Society would automatically halt, and possibly destroy, the active participation in the affairs of the Movement of the Majority of interested members. Secondly, a National Co-operative Society would lead to the formation of a stifling bureaucracy. The justification of local self-government in Public Administration, applies with equal force to the Co-operative Movement.

In some local Societies, one group exercises almost tyrannical domination. In one British Society, such a group is actually composed of members of a political party definitely hostile to the principles of Co-operation! Such a situation would be farcical were it not tragic. In resolving this difficulty S. C. G. would broaden the selection field of candidates for office. An Executive Board composed of permanent officials, working in conjunction with a popularly elected Council, is the form of local society government advocated by the S. C. G. Above all, officials should have a sound grasp of both Co-operative theory and practice.

The importance of Co-operative education was recognised long ago by Robert Owen, the Christian Societies, and the Rochdale Pioneers.

Of late, the tendency to regard education as "just another activity" to be financed from trading surpluses, has increased. The Group urges the equalisation in status of trade and education. The old type Education Committee (often merely a stepping stone to higher office), must go. Co-operative education must be brought to the people in their homes and at their places of work. Discussion Circles as the basis of such a progressive policy, are already a proved success in Sweden, U.S.A., and Switzerland. Without the education in fundamentals provided by the local Discussion Circle, higher studies at the Co-operative College lose at least 50 per cent of their value.

S. C. G. places great importance on the attraction of youth to the service of Co-operation. This, it believes, can best be accomplished by expanding the notion of consumption to include housing, entertainment, travel, leisure, and drama. High dividends and successful trading operations are certainly a small measure of attraction to enthusiastic and ideally minded adolescents.

What of Co-operative politics?

At the moment, the British Co-operative Party is barely distinguishable from the Labour Party. It enjoys but little co-ordination with other branches of the Movement. The Party, argues the S.C.G., must not be looked upon merely as an umbrella for protection from stormy trade weather. Its true function is determined by the Co-operative concept of Society and the State.

Finally, "Pattern for Progress" directs attention to the influx of semi-professionals, careerists, and petty kudos seekers, who have been attracted to the Movement since its tremendous trading potentialities became so apparent. Whilst fully appreciating the difficulties of its application, the group believes, with Napoleon, that "a career should be offered to talent". There

still exists the tendency to select elementary school children for Co-operative employment, and to look with suspicion upon secondary school and University applicants.

In a rapidly changing world there is no such thing as standing still—one must go backwards or forwards—be "anvil or hammer" (Goethe).

Even if there is disagreement amongst Co-operators as to the criticisms and proposals made in "Pattern for Progress", this admirable little work will have served its purpose if it makes Co-operators think—and think furiously about their Movement. People who are active mentally are not slow to correct errors; nor are they likely to lapse into apathy.

Now is the time to decide on the essentials on which, in this world of dissolving views, Co-operators ought to unite.

CO-OPERATIVE CONFERENCES AND MEETINGS

RESOLUTIONS PASSED AT THE FOURTEENTH CONFERENCE OF REGISTRARS OF CO-OPERATIVE SOCIETIES

I. This Conference expresses its deep sense of sorrow and loss on the death of the Hon'ble V. Ramadas Pantulu and places on record its high appreciation of the distinguished services he rendered to the movement in various capacities. The Conference further resolves that a copy of the resolution be forwarded to Mrs. Ramadas Pantulu.

II. The Conference recommends that a sub-committee consisting of the following may be appointed to examine the proposals regarding the revision of the Statistical Statements relating to the Co-operative Movement.

1. V. L. Mehta, Esq., (Chairman) Managing Director, Bombay Provincial Co-operative Bank, Ltd., 9, Bakehouse Lane, Fort, Bombay.
2. Rao Bahadur J. C. Ryan, Joint Registrar, Co-operative Societies, Madras.
3. Khan Sahib Murtaza Ali, Deputy Registrar, Co-operative Societies, U.P., Lucknow.
4. Khan Bahadur Maulvi Ch. Afsar Ali, Registrar, Co-operative Societies, Bengal, Calcutta.
5. Khan Mohamed Bashir Ahmed Khan, M.A., LL.B., M.R.A.S. (London), Hony. Secretary, All-India Co-operative Institutes' Association, Lahore.
6. Sher Jang Khan Esq., Officer-in-Charge, Agricultural Credit Section, Reserve Bank of India, Bombay.

The Committee should also examine if the quarterly financial statements of central banks may continue to be published in the Provincial gazettes and if so, the form in which it should be done.

III. This Conference recommends that—

- (1) A Committee be appointed to draw up a plan of co-operative development.
- (2) The co-operative movement should be an integral part of the development plan for the country.
- (3) Representatives of the co-operative movement should be included as members of the various committees set up for preparing development plans by the Central, Provincial and State Governments.

- (4) The post-war absorption of ex-soldiers should form part of the general development plan, the valuable experience gained by the ex-servicemen being fully utilised in the promotion and development of the co-operative movement.
- (5) Where the execution of a plan requires action by all members of an economic category or group, it should be made compulsory for all either to join a co-operative society for the purpose or otherwise to carry out the plan.

IV. This Conference recommends that—

- (1) Co-operative organisations should be fully utilised for the promotion of the Grow-More-Food campaign.
- (2) Provincial and State Governments should encourage the promotion of societies for growing more food and also utilise other rural societies for the purpose, and help their working.
- (3) Governments should arrange for the necessary financial facilities, including grants, subsidies, etc., for co-operative societies.
- (4) Governments should make available to co-operative societies through Agricultural Department's guidance and advice on the technical aspects of food production and secure co-operation between the different departments connected with rural development.
- (5) Suitable arrangements should be made in each province and state, through central co-operative organisations for the bulk purchase of the means of production such as seeds, manure, implements, etc., and for their equitable distribution through rural co-operative societies both for members and for non-members.
- (6) Co-operative societies should distribute these articles to their members as short-term loans in kind wherever feasible and sell them to non-members for cash.
- (7) Such loans should be given on the condition that the whole of the produce to be marketed is sold to or through the society or a co-operative marketing society in that area.
- (8) The principle of joint responsibility need not be insisted on in the case of co-operative societies which undertake marketing.
- (9) Co-operative societies should aim at advancing loans to their members at a rate not exceeding 6½ per cent. Government should provide the necessary financial assistance to the societies to enable them to do so.
- (10) Land mortgage banks should actively undertake the finance of land improvement and reclamation in addition to providing loans for debt redemption. Departments of Agriculture should take the initiative in suggesting schemes to be financed by land mortgage banks.
- (11) Section 17 of the Reserve Bank of India Act should be used more widely than at present for providing the necessary finance.
- (12) The system of co-operative joint farming should be introduced wherever circumstances are favourable, but at least one experiment in co-operative farming should be carried out in each Province and State.

V. This Conference recommends that—

- (1) There should be a chain of co-operative marketing organisations, one for each suitable area such as that served by a mandal, as also federations of these marketing organisations either for particular commodities or for particular areas, and an All-India Co-operative Marketing Organisation.
- (2) Where such unions are strong and efficient they should be appointed by Government as sole buyers in the areas in which they operate.
- (3) Government should assist such unions financially—(a) for providing the requisite godown accommodation for which purpose building material should also be made

available; (b) for establishing such processing industries as are necessary for making the crop marketable with greater advantage; and (c) for the provision of the staff required for direction, supervision and guidance.

- (4) A system of licensed warehouses should be introduced and legislation promoted for the purpose. Licensed warehouses should be managed wherever practicable by co-operative warehousing societies.
- (5) The Bihar experiment in the promotion of marketing etc. (as described in the memorandum) may be watched with interest.

VI. This Conference recommends that—

- (1) Strong efforts should be made to place the consumers' co-operative movement which is expanding rapidly on sound permanent basis.
- (2) Where co-operative stores are considered by the Registrar to be efficient and are willing to take up the work, they should be given preference for obtaining and distributing both in wholesale and in retail foodstuffs and other controlled articles and should be appointed as procurement agencies by Government. Where such co-operative stores do not exist similar facility should be given to other co-operative organisations selected by the Registrar.
- (3) In order to strengthen their position co-operative stores should have adequate share capital and reserves and adopt sound business practices.
- (4) The staff required for the direction, supervision and guidance of these societies should be provided by Government who should also give such subsidy as is necessary for staff entertained by the stores.
- (5) Consumers' co-operative stores should be linked up wherever practicable with co-operative marketing unions.

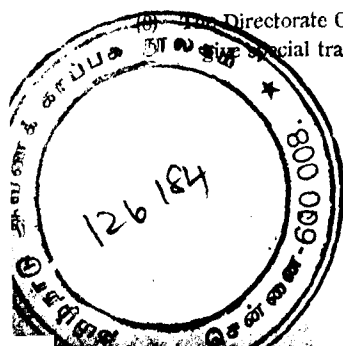
VII. This Conference recommends that—

- (1) A committee should be appointed (a) to draw up a programme of industrial development which can be taken up by co-operative societies under the direction of the Central Government; (b) to consider the advisability of protecting and defining markets in which co-operative industrial societies operate; and (c) to examine the material available from existing surveys and arrange for further enquiries where necessary.
- (2) Co-operative federations should be organised in each Province and large State (a) for ensuring supplies of raw materials to co-operative industrial societies, (b) for facilitating the proper marketing of their finished products, and (c) for providing technical and financial assistance to them.
- (3) Long-term finance for capital expenditure (including buildings, equipment, machinery, etc.) needed by co-operative industrial societies should be made available to them by Government either from its own resources or from the Post-War Reconstruction Fund.
- (4) Special priority should be given to co-operative industrial societies in the acquisition of surplus war materials such as machine tools, motor vehicles, building material, etc.
- (5) Co-operative industrial societies should be in a position to make use of the provisions of Section 17 of the Reserve Bank of India Act, which may be amended if necessary.
- (6) The programme of co-operative industrial development should be actively implemented by the Registrars of Co-operative Societies with the co-operation of the technical departments concerned such as those of Industries, Veterinary, Agriculture, etc. For this purpose the necessary technical staff and advisers should be appointed by Government.

- (7) The organisational work as also the supervision of the business side of co-operative industrial societies should be the responsibility of the Registrar, while the technical departments should be responsible only for guidance and assistance in technical matters.
- (8) Representatives of handloom weavers' co-operative societies should be appointed to the All-India Handloom Board.
- (9) In making their purchases, the Central, Provincial and State Governments should give first preference to the products of co-operative industrial societies.

VIII. This Conference recommends that—

- (1) The staff of different categories required for the expansion of the co-operative movement should be estimated and immediate steps taken for their training.
- (2) Arrangements should be made for the systematic and adequate training of official and non-official co-operative workers and for co-operative education, general and advance, through the provincial co-operative institutes or departmentally. For this purpose (a) lessons in the principles and practice of co-operation should be included in vernacular and English readers in primary and secondary schools classes; (b) co-operative training institutions should be established in each suitable area to provide training for the rural co-operative field staff and supplemented by training classes for office-bearers and members of co-operative societies. Government should give all necessary assistance in the shape of grants and trained teachers for the purpose; (c) Universities should be requested to include the 'Principles and Practice of Co-operation and Co-operative Law' as one of the optional subjects for their B. Com. and B.A. degree examinations; and (d) for advanced studies in co-operation and training in co-operative research, an All-India Co-operative College should be established, on the Governing Body of which official and non-official co-operators should be represented.
- (3) The teachers employed for the training of co-operative staff should themselves be fully trained and if trained teachers are not available in adequate numbers, steps should be taken to train them.
- (4) The staff of the Revenue, Agriculture and other development departments should receive adequate training in co-operative principles, and the rural co-operative field staff should receive a short training in agriculture.
- (5) The pay and prospects of the co-operative staff whether employed by Government or co-operative organisations should be improved and, in the case of the former at least, made uniform with those of other Government departments.
- (6) The Reserve Bank of India should maintain an adequate trained research staff which would carry out field investigations and help and guide Provincial and State Departments in planning investigations.
- (7) Arrangements should be made for the carrying out of co-operative research work and the staff of co-operative departments and institutes should be expanded for the purpose, the necessary finance being found by Government.
- (8) The Directorate General of Welfare, Education and Re-settlement be requested to give special training to servicemen in the principles and practice of co-operation



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