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**THE
 INDIAN CO-OPERATIVE REVIEW**

VOL. XIV

OCTOBER—DECEMBER, 1948

No. 4

CONTENTS

PAGE

EDITORIAL NOTES

Wider Interest in India's Movement; Co-operative Education; The Prague Congress of the I.C.A.; Serious Problems Facing the Movement; Lectures at International School of Co-operation; Multipurpose Societies; The Late Dr. P. Gurumurthy ... 249

Co-operation and Rural Reconstruction—
 By Dewan Bahadur H. L. Kaji, M.A., B.Sc. ... 257

Co-operation and Politics—
 By Dr. Mauritz Bonow ... 265

Co-operative Education in Bombay Province—
 By R. M. Talpade, B.A. ... 175

Co-operative Education in Bihar—
 By Rai Sahib A. B. N. Sinha ... 279

Co-operative Education in Orissa—
 By A. P. Panda, B.A. ... 282

Co-operative Education in the United Provinces—
 By Sridhar Misra, M.A., M.Com. ... 285

Co-operative Education for Field Development Workers in United Provinces—
 By N. S. Mani, M.A. ... 288

Co-operative Education in West Bengal—
 By Prof. Sanat Kumar Chatterjee ... 290

Co-operative Education in Central Provinces and Berar—
 By R. L. Gargava, B. A. (Hons.) ... 294

Co-operative Education in Madras—
 By Rao Bahadur Prof. S. K. Yegnanarayana Iyer ... 298

Co-operative Education in Mysore—
 By R. K. Jayatirthachar, B.A., LL.B. ... 302

Co-operative Education in Hyderabad State—
 By Khaja Ghousuddin ... 305

Co-operative Experiments in Rural Banking—
 By N. Satyanarayana ... 329

THE SEVENTEENTH CONGRESS OF THE I.C.A.

Summary of the Proceedings ... 306

CO-OPERATIVE PRESS COMMENTS ON THE CONGRESS

... 318

CO-OPERATIVE CONFERENCES AND MEETINGS

The XXXV Mysore Provincial Co-operative Conference ... 321

General Meeting of the Assam Co-operative Apex Bank ... 324

Weavers Co-operative Opens Own Dye-house ... 325

EXTRACTS

Summer School on Co-operation in Orissa ... 327

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EDITORIAL NOTES

WIDER INTEREST IN INDIA'S MOVEMENT

It is of great interest to note that three important agencies are bestirring themselves to take an active interest in the development and spread of the co-operative movement in the Far East and India. The International Labour Office had a conference the year before last and discussed labour problems in the Far East and this year also it sent out a special officer to visit the South Eastern Asiatic countries and India to examine, among other things, the possibilities of promoting Co-operation. The International Co-operative Alliance at the Prague Congress passed a resolution for the promotion of Co-operation in under-developed areas, particularly in the Far East. It has since then planned on how to start a regional office of the Alliance in India, so as to actively implement the programme. The U.N.O. has a special organisation, the F.A.O., which has sent out a special representative to examine the problems of Co-operation on the spot by visiting India and the Far East. The F.A.O. is also thinking of having a regional office, probably in India, to serve the Far East. It is very stimulating to think, that, after all these years of comparatively subordinate role in the economic structure of the country, Co-operation is coming soon into its own. The Government of India have recognised that their economic policies should be based on Co-operation. Some of the Provincial Governments have already been actively concerned with the development of the movement in non-credit as well as credit organisations. It is a happy augury for the immediate future that the Government of the country as well as three important international organisations should be concerned with the promotion of Co-operation.

The special and peculiar importance of the co-operative movement to-day arises from the fact, that it alone affords an effective barrier against the spread of Communism. Capitalism as such has now a past but does not hold out any hope for the future. Nowhere are the dominant ideas behind capitalism and socialism, viz., efficient production and just distribution, blended so happily as under the ægis of Co-operation. By themselves, pacts, leagues and alliances would not be potent enough to ward off the danger, unless through a happy, contented and thriving people, organised co-operatively. For the healthy spread and development of the co-operative movement, nothing is so essential as leadership of the co-operators themselves. While Government should certainly assist in every possible way, it is for the non-official co-operative workers to take the message of Co-operation to the small man. A national Government would not, it is true, be regarded with suspicion and distrust by the masses; but its

machinery would still be bureaucratic and red tape would not inspire the friendship and frankness, that are so essential. Large grants and subventions to the Indian Co-operative Union and various Provincial Unions would enable them to afford an efficient staff adequately paid and undertake a vigorous policy of drive so urgently needed to-day.

CO-OPERATIVE EDUCATION

We publish in this issue of the *Review* a number of articles on co-operative education, received in response to our invitation, from different provinces and States. We find from them that the only substantial educational work done by the Provincial or State Co-operative Unions or Institutes is the technical education imparted to entrants into the service of Co-operative Departments or employees of central co-operative banks or other co-operative institutions who choose to depute them for training. The vicissitudes these institutions have undergone are recounted. The Unions took up the task at first with enthusiasm, partly with a paid staff but mostly dependant on the honorary services of local veteran co-operators. It was not always possible to depend on the latter for affording any systematic training—at any rate after the first flush of enthusiasm. When the Government of India began giving a special grant to Provincial Governments ten years ago, for co-operative education, it was passed on to the Unions or Institutes only to a limited extent, for the conduct of panchayatdars' classes—though in some provinces for the running of institutes in the linguistic regions for the training of bank clerks, supervisors, etc.—the Government themselves taking up the task of training their own employees and managers and secretaries of bigger institutions. Little encouragement was given to Provincial Unions or Institutes in the task of imparting higher education in Co-operation which should be their function.

The regional institutes affiliated to some of them cater to a lower cadre, whose minimum qualification is only a school final certificate. The course is far too short—9 months at the most and even 4½ months in some provinces, followed by a few weeks of practical training. But the syllabus is often too ambitious and also beyond the reach of men of such education. Even 9 months as in the Central Institutes or the new Co-operative College at Poona cannot be sufficient for any specialised or advanced training except perhaps for some graduates who have done economic theory, banking and rural economics and Co-operation already. The Government appoints the teaching staff for most of the institutes, especially if it foots the bill, though they are said to be affiliated to the Unions. They are not selected for their teaching capacity, though some turn out to be good teachers. They cannot have the freedom to teach without any bias, as they might incur the displeasure of superiors who have different views.

It is for Provincial Unions to assert their right to take over education of all grades, right from the college down to panchayatdars' classes, recruit a cadre of competent teachers who have not only a sound knowledge of Co-operation and allied subjects but also have some intimate experience of the working of societies and above all exhibit a true co-operative spirit

in their activities. The All-India Planning Committee on Co-operation strongly recommended the establishment of a Co-operative College in each Province to be run by the Provincial Union or Institute. So far only Bombay has established such a college at Poona—we feel that the course is too short and hope it will be raised. Madras has, on the other hand, declined to have a Co-operative College run by the Co-operative Union or even by the Government, though there was a cry for it for over 15 years and the Madras Committee on Co-operation (1940) favoured it. It appears that co-operators in Madras agreed that the purpose of a College could be served by the institution of B. Com. (Hons.) course with Co-operation as a special subject. But we find that in this new course, Co-operation is only one of 8 subjects. The whole atmosphere is bound to be different. It is significant that Bombay chose to establish a separate College of Co-operation.

The Universities in India have all prescribed Co-operation as an important subject of study and examine candidates. But little has been done to foster research on the working of co-operative institutions of different types, which is comparatively easy on account of the data available and is quite essential for a detached study of the movement.

Attempts have been made in all provinces to organise courses or classes for panchayatdars; but they are attempted only very occasionally and fitfully and the courses are farcically short. A smaller number may be assembled in particular localities at definite intervals after due notice, and for a longer period each session. Lack of finance should not be pleaded by Unions. They must be enabled to collect a compulsory levy from all societies making profits, as is done in Bombay according to a recent legislation.

THE PRAGUE CONGRESS OF THE I.C.A.

We publish in this issue liberal extracts from the proceedings of the 17th Congress of the International Co-operative Alliance held at Prague, the capital of Czechoslovakia, lying between the East and West European countries between whom there is not a little tension now. India was represented there by Prof. H. L. Kaji, Mr. B. J. Patel and Mr. V. P. Varde. There were representatives of 28 other countries from different parts of the world; and altogether there were 444 delegates. There was as usual, an overwhelming number from Europe, but the unusual feature was the presence of a very strong and aggressive minority from Eastern European countries, with an ideology not altogether co-operative, at any rate in the sense in which it is understood in Western Europe and other countries where Co-operation has grown from strength to strength but gradually. Delegates from Eastern Europe were wedded to State Socialism involving subordination of Co-operation as a tool of the State than as an independent organisation with an ideology of its own, which the State should have a regard for so long as it does not conflict with the interests of the State and the citizens; in fact it is all for the welfare and freedom of the latter. This minority opposed, or moved substantial amendments to, practically every resolution moved by the orthodox co-operators with

speeches which extolled socialism of the Soviet type and condemned the move of others as sinister.

It required not a little patience and tact and firmness on the part of Lord Rusholme, the President of the I.C.A., to steer clear or conquer the difficulties raised by such conflicts. In his opening address, the President regretted the tense atmosphere which overhang the international situation. He hoped, however, that the qualities of patience, tolerance and consideration for others, so well developed among co-operators, would come to the rescue and they would influence statesmen to avert war. It is a matter for satisfaction that the resolution on Peace was passed unanimously, which was not the fate of most other resolutions at the Congress. Lord Rusholme was optimistic that the work of the United Nations Organization in the social and economic field—to which the I.C.A. made an humble contribution, would help the solution of many a problem and bring about better understanding between nations.

THE WORK OF THE I.C.A.

The report of the Central Committee of the I.C.A. for the two years since the Zurich Congress, was next presented by the President. It was claimed that the I.C.A. ceased to be a predominantly consumers' organisation and was becoming more and more representative of every type of co-operative organisation. We find, however, ample evidence of the predominance of consumers' point of view rather than of others in most of the proceedings, though there is a readiness to accept some slight amendments to please others. The I.C.A. continued to publish the *Review of International Co-operation*, the *I.C.A. news services* in co-operative and economic editions, *Statistics of co-operative societies* and some special books. Economic Research is to be re-established and a new Foundation in the memory of the past illustrious General Secretary, H. J. May is to be created for the study of problems of International Co-operation. The I.C.A. was keen on organising "missionary propaganda" in countries where the movement was yet weak or unknown. This was indeed a good record of work, considering the small staff of the I.C.A. Secretariat and the scanty funds available. But the report and the organisation were sharply criticised by Eastern European delegates not so much for the work done but for the work left undone, failure to put up a fight against 'capitalist war-mongers' and 'imperialistic powers'. A strong plea was put in for devoting more attention to problems of agricultural co-operation by representatives of Israel, Italy and others.

RESOLUTIONS PASSED AT THE CONGRESS

The resolutions moved and passed at the Congress were only a few, unlike in our conferences. The first resolution was on the Promotion of Co-operation in under-developed countries, the moving of which was entrusted to our Prof. H. L. Kaji. It was an appeal to the international co-operative movement to help in the organization of all forms of co-operative activity—agricultural as well as consumers'—in the under-

developed countries of the world, spreading the knowledge of co-operative principles and practices, establishing contacts with pioneer co-operative circles, promoting interchange of co-operatively produced goods between different parts of the world—all with a view to raising the standard of living of people in all countries. Prof. Kaji's speech is reproduced. He admitted that India was co-operatively and economically backward but it was no longer a colony or dependency, as was suggested by the Soviet delegate in an amendment. He hoped that effective steps would be taken to implement the resolution; and Mr. Patel suggested a Committee of the I.C.A. for the purpose. This was not considered necessary by the Congress. We believe that the responsibility for the promotion of Co-operation in this country rests not a little on our national organisation, the All-India Co-operative Institutes' Association and the Provincial Co-operative Unions—may be on the lines laid down by the All-India Planning Committee. We hope that the resolution will not remain a pious wish.

The next resolution was on Co-operation and Housing. It stressed the need for providing adequate accommodation for all classes of people, especially for families of low income group, who had not so far been cared for even by co-operative organisations. It condemned land speculation and excessive profits in the housing industry. It wanted the national organisations to embark upon the production of the more important building materials so as to reduce their costs and not to allow private monopolists to carry on production and charge what they liked. This was done to some extent by the organizations in Sweden, Denmark and Switzerland. But it is a far cry in India, where co-operative housing has not touched the fringe of the housing problem even in urban areas, though the State was financing all the housing societies. And practically nothing has been done co-operatively for housing in rural areas. The State also can take up at present the production of building materials on a non-profit basis with a view to help the housing societies—instead of merely financing construction of houses.

There were two good papers submitted to the Conference, one on the subject of international co-operative enterprises and the other on the attitude of Co-operation to Nationalisation—on both of which resolutions were framed and moved and after a good deal of discussion passed by the Congress; but by no means unanimously as the strong minority voted against them. It has been the ambition of several international co-operators to symbolise their attitude by promoting some enterprises in which national organisations like the C. W. S. could be constituent members and extend their benefits beyond the confines of national frontiers. Already the joint C. W. S. of England and Scotland owning tea estates and factories distribute tea to other national organisations and allow them a share of the dividend on custom. Sweden, which is manufacturing electric lamps and accessories co-operatively is prepared to extend its sales to others and even to join others in a bigger international manufacturing enterprise. This should certainly be encouraged. There are a

a number of trade barriers in the way of the formation of such an international enterprise; but the feeling in the United Nations circles is growing strongly in favour of brushing them aside in future as was indicated in the Charter of the International Trade Organisation, signed by delegates of 53 nations, representing 90 per cent of the volume of international trade. The case for the protection of young industries in undeveloped countries, we suppose, will be granted, though the world cannot for long tolerate monopolies nor excessive protection in respect of essential commodities; sufficient stress was not laid, it seems to us, in respect of the possibility of joint enterprises among agricultural producers' organisations which are already nationally powerful and might easily get into international schemes.

Co-operative attitude towards Nationalisation was the subject of an ably written paper by Mr. J. M. Peddie (Great Britain), which aroused perhaps the keenest discussion and showed the distinct cleavage between the Western and Eastern European delegates of the Congress. Mr. Peddie traced the evolution of the progress of nationalisation in Great Britain ever since the establishment of the British Post Office long ago and the halting acceptance of State control, through Public Corporations, of electricity, transport, etc. Co-operators, like the Labour Party, had voted for schemes of nationalisation of land, minerals, railways, canals, etc., all along and even as recently as 1944. But the Labour Party, having been in power and desiring to continue in power, seems to hanker for further extension of nationalisation. This seems to have upset the co-operators in Great Britain, who have all along cherished freedom of enterprise in lines in which they have specialised, to cry halt to nationalisation in their sphere. They claim superiority in running the industries and services in lines catering directly to individual consumers, where personal preferences and tastes do matter most and should be allowed to be expressed freely in a democratic manner. This, they fear, will not be easy in State or municipal controlled institutions, where bureaucracy will butt in with its rigid and impersonal control. Co-operators went so far as to say that they would not "enter into a suicide pact" for transfer of their services, trade and industry to the National Boards and State Corporations, though given a voice therein. They would like to travel on parallel paths. The delegates of Eastern Europe claimed superiority for State Socialism, ownership and control of all resources, though in certain lines (distributive services and agricultural business) co-operatives might be recognised and encouraged as agencies of State. This subordinate role co-operators do not like. It is time that advanced co-operators came to a clear understanding as to the demarcation of spheres of State and Co-operation—not found in the resolution moved and carried. There seems to be a general feeling that the State should concern itself with the control and management, if not also ownership, of all primary means of production and certain key industries like iron and steel and heavy chemicals, and means of transport—leaving to co-operators industries and services catering directly to consumers, especially where personal choice is most valued.

We are not sure, however, whether in India, co-operators would at all vote for nationalisation of land—we mean ownership and detailed control by a State bureaucracy, instead of promoting peasant proprietorship—at any rate on all old cultivated land, though other experiments might be tried on newly reclaimed lands by the State. In all countries advanced in Co-operation peasant proprietorship was the bed rock on which all forms of agricultural Co-operation were built.

In India Co-operation has been developed most on credit side. But in respect of credit too, though the Gadgil Committee felt that the State should create and help maintain agricultural credit corporations for financing agriculturists, ultimately they looked forward to active help by village co-operative societies to scrutinise the methods of use of loans and their repayments by borrowers. That co-operatives can play more than a subordinate role like this and, given some aid by the State, can themselves through their federations organise finance and dispose of loans on a wider scale was the opinion of the All-India Co-operative Planning Committee. It is time that in India too co-operators gave more thought to demarcate the spheres of action of the State and co-operatives, and clarified issues, that may not be burning problems to-day but will become so in the near future.

SERIOUS PROBLEMS FACING THE MOVEMENT

The co-operative movement in India to-day shows some ugly features and the attention of co-operators must be focussed earnestly to remove these blemishes and difficulties. Surplus funds with co-operative banks in urban centres do not find investment within the movement and co-operative banks are taking to commercial banking, with a desire for profit making. Land mortgage banks find their business either gone or going. The high prices of agricultural produce have led to advance repayments of dues by borrowers and debt legislation has led to a greatly slackened demand for loans. Marketing societies are suffering a great amount of attrition, because of State control of prices, distribution and procurement. Housing societies remain paper organisations for want of building materials. The consumers' stores are uncertain of the future, in the absence of any earnest attempts at providing strong central wholesales. Industrial societies are yet too much in their infancy to enable one to judge of their future. In the absence of a proper sale organisation, these also have but a poor prospect. Government and leaders of co-operative thought must co-operate and find out ways and means to solve these difficulties and enable the movement to achieve greater and definite success.

LECTURES AT INTERNATIONAL SCHOOL OF CO-OPERATION

We are, in this issue, publishing reports of two lectures delivered at the International Summer School, Prague—one by Dewan Bahadur H. L. Kaji on the subject of Rural Reconstruction in India and the other by Dr. M. Bonow of Sweden on Co-operation and Politics. Prof. Kaji has summed up in very eloquent terms the achievements of agricultural societies of various types in India, not concealing their shortcomings, and pointed out the scope for further development, especially in the marketing line on which we should concentrate in future.

Dr. Bonows' is a serene and sober thesis on the advantages of the co-operative movement remaining neutral in politics and religion, according to the Rochdale tradition, which has been followed more in Great Britain and the Scandinavian countries than in other countries of the West, not to speak of Eastern Europe. Both these lectures will amply repay perusal by co-operators.

MULTI-PURPOSE SOCIETIES

One of the articles published in this issue is on the actual working of a multi-purpose society—the Alamuru Rural Co-operative Bank, in the East Godavary District of the Madras Province. There has been far too much talk about multi-purpose societies, in some cases followed by mere organization of societies in large numbers but by no means followed up by active working of the same. Just a little supply of seeds and manures or distribution of consumers' goods placed at their disposal by an obliging Government is all that is being done by many of these multi-purpose societies. There may be Alamurus unadvertised in other provinces. But co-operators have a right to call for more publicity of their work for their own enlightenment. We invite contributions on the subject by those who have worked the societies like Mr. N. Satyanarayana, the indefatigable co-operator of Alamuru.

THE LATE DR. P. GURUMURTHY

The co-operative movement in Andhra Desa has sustained a severe blow in the sudden demise of Dr. P. Gurumurthy of Rajahmundry on the 18th December, 1948. He was aged 64. He had been ailing for some years. But so enthusiastic was he in the co-operative cause that he did not mind his illness and rushed to serve. It is nothing surprising that he went to Palakol to preside over the West Godavary District Co-operative Conference, where he expired suddenly. He was a member of the Standing Committee of the All-India Co-operative Institutes' Association, Vice-President of the Madras Provincial Co-operative Union, Director of the Madras Provincial Co-operative Bank and South India Co-operative Insurance Society, President of the Andhra Desa Co-operative Union, and of several district and local co-operative institutions. Really there was no co-operative institution in or near Rajahmundry which did not seek his active support. He was a co-operator of tireless energy, great courage and infectious enthusiasm. He was also a well known political and social worker, in the cause of the Congress and Harijan Sevak Sangh. He was held in high esteem by fellow medical practitioners; he was Vice-President of the Andhra Branch of the Indian Medical Association. His love of civic work brought him the chairmanship of the Rajahmundry Municipality. In fact, there was no sphere of work which he undertook in which he did not distinguish himself by his courage, enthusiasm and active service. He was indeed a versatile co-operator and his loss will be widely mourned in the Andhra Desa and Madras Province; and the Indian co-operative movement is definitely poorer by the passing away of such a personality.

CO-OPERATION AND RURAL RECONSTRUCTION*

By

DEWAN BAHADUR H. L. KAJI, M.A., B.SC.,

President, All-India Co-operative Associations.

The world is in the throes of a new birth. From the churning of ideas, is emerging a new economic basis of society. Aggressive capitalism leading on to militant nationalism and progressive socialism leading on to petulant expansionism clashed and crashed and hurled the world twice into the cataclysmic holocaust or armageddon. Torn and battered, worn and shattered, peoples pant for peace. The warring ideologies—Controlled Capitalism and State Socialism—reveal the deficiencies of each and compel the search for a new order, founded not upon aggression and aggrandisement, not upon class antagonism and exploitation, but upon love and sympathy, justice and equity, where each works for all and all work for each, so that enmity and discord will be replaced by amity and concord, and militant nationalism by beneficent internationalism and a realisation of the universal brotherhood of man without distinction of class, colour or creed. The age of machinery ushered in by the industrial revolution can no longer be allowed to degenerate into an era of increasing social inequalities. The cult of leisure, the lust of pleasure, the hunt for treasure must go; the obsession of ever increasing production must go; the depression of increasing mal-distribution must go. The true test of civilisation and culture is not merely efficient production but more equitable distribution. It is Co-operation that stands forth to-day as the only true hope of a war-torn, war-weary, world. Statesmen have begun to speak of Co-operation on the international plane and we devoutly pray that words will soon lead to realisation and conviction that it is Co-operation alone that will end rivalries and jealousies and bring true happiness, which after all is the goal of civilisation. The Atlantic Charter exuded the aroma of Co-operation. Mahatma Gandhi, leading straying humanity to the paths of truth, love and Ahimsa—the antithesis of exploitation—symbolised the spirit of Co-operation. The great Soviet Republic believes in Co-operation. Well! May Co-operators gathered here hope that the second half of the twentieth century will be the Age of Co-operation!

Co-operation seeks to smooth out social inequalities by assisting the weaklings of society to achieve economic strength by co-ordination and association and has a strong appeal for the poor and the downtrodden. The small man in urban areas, be he the cheerless clerk, the tolling artisan, the sweated labourer or the shiftless mill-hand, needs the beneficent agency of Co-operation; but the small man in rural areas needs it ever so much more. In India, China and other monsoon lands accounting for about half the world's population, there is the glaring anarchism

* Lecture delivered at the International Co-operative School at Jiloviste, Prague on 17th September 1948.

of a modernised, efficient urban population co-existing with a mediaeval ignorant rural population with a standard of living sometimes even below the standard of subsistence. It is in the rural areas with the rural population about 90 per cent of the total that Co-operation finds its most congenial soil and most urgent scope. The problem of a proper reconstruction of rural economy has engaged the attention of the State for several decades and Co-operation has been accepted as the only correct basis for the purpose. In recent years, the scope of Co-operation has been more widely recognised and Free India has acclaimed Co-operation as the basis of its national economic policy and a Co-operative Commonwealth as its goal. While the U. S. A., and U. K., show the high water mark of capitalistic efficiency, while the U. S. S. R. shows the high water mark of socialistic endeavour, it is the ambition of India to reach the high water mark of Co-operation in rural reconstruction in the service of her vast rural population of about 310 millions. The achievements, so far, have not been inconsiderable and fortify us in faith that with a vigorous programme of adult education and compulsory primary education, with the shifting of the emphasis from credit to non-credit, with keener genuine interest and ample assistance in men, money and materials by the State and with the harnessing of the spirit of service and sacrifice so prominently displayed during its fight for freedom, the work of rural reconstruction on a co-operative basis will proceed on apace and lead to a marked improvement in the general economic level of the masses, bridging the chasm between the rural and urban populations.

* * * *

I shall now proceed to place before you a picture of the present position and future possibilities of Co-operation in India as the basis of rural reconstruction. The urban movement has also developed quite well and the consumers' movement, so long tried and given up, cannot be any longer ignored; for it has assumed great proportions and importance during, and on account of, war conditions, with the attendant inflation and corruption, economic controls, and draconic rationing and black marketing. But as the scope of this lecture is restricted to the role of Co-operation in rural reconstruction, I shall confine my observations only to the rural movement.

Rural reconstruction has a three-fold aspect—the *Man*, his *Place* and his *Work*. All three demand a close study and determined endeavour, but the first, the *Man*, is perhaps the most important. Stupendous and momentous changes that have convulsed the world have left India's villager almost untouched, excepting economically. His subsidiary occupations and cottage industries decayed; small as his holding was, it was fragmented into smaller units; food crops gave place to money crops, and the middleman with better knowledge of changing conditions promoted increasing shrinkage in his earnings from agriculture. British Rule gave peace and security, it is true. But it is a sad reflection that during the

150 years and more, it did very little to promote education, so that barely 10 per cent of India's population, urban and rural, is literate. No wonder that the Indian villager is illiterate and ignorant, listless and apathetic, helpless and hopeless. The first task of transcendental importance in the reconstruction of villages is, therefore, to take in hand earnestly the problem of adult education and literacy. Till the man is ready, no scheme can succeed. No benevolent paternalism or dictatorial democracy can dragoon him into efficiency or can regiment him into sufficiency or marshall him into prosperity. The Indian villager has now awakened from the slumber of ages but till education makes him vocal and receptive, the efficacy of all policies and programmes will be extremely doubtful. A few educational co-operative societies have been started and a few co-operative schools are working, it is true. But it must be conceded that adult education cannot be accepted as being within the domain of Co-operation. Yet the large army of honorary workers which the co-operative movement has attracted are alert and willing to devote some time and energy for adult education centres in villages, since, after all, adult education is almost the condition precedent to the success of Co-operation itself.

The second aspect of rural reconstruction is the *Place* where the villager lives and works, that is the village itself. The Indian village as a rule is unhappily not the abode of peace, calm, beauty, cleanliness, health and happiness. No recreation facilities, no social amenities cheer and beguile the monotony. Streets, tortuous and a trap for the unwary, are drains in the rains. Road transport fails to arouse any transports. Sanitation and ventilation are badly neglected and medical aid is sadly absent. To reconstruct the village is a colossal task. Housing, sanitation, dispensaries, better roads demand earnest attention on a mass scale. Co-operation has already stepped in to do what is possible to achieve in this direction, and co-operative societies have been found useful. The Punjab and the United Provinces have more than 6,000 *better living societies*. Their objects have been the eradication of social evils, such as extravagance on ceremonial occasions, importance of sanitation and hygiene and discouragement of litigation. Litigation often over trifles and often costly and interminable, is a strange pastime the villagers delight in. To check this habit *arbitration societies* have also been organised in the Punjab and some other provinces. Of greater interest are the societies engaged in public health and medical relief. Malaria is a terrible scourge, most notable in Bengal, and *anti-malarial societies*, numbering more than 1,000, have done very good work in clearing jungles, kerosination of tanks and distribution of quinine. Punjab, too, has a little under 1,000 *public health and medical aid societies*, which maintain running dispensaries and first aid posts. Though Co-operation is willing enough to extend its beneficent influence to rural reconstruction generally, it is obvious, that the work so far done is not in any way adequate, looking to the immensity of the problem. Nothing short of widespread State machinery

will reconstruct the village and the villager. It is only when this objective has been achieved, to at least an appreciable extent, that voluntary efforts, by the people themselves, can make further head-way with adequate grants and subventions from Local Boards and Government. The replacement of co-operative credit societies, however, by multipurpose societies, now actively in progress, gives us reason to hope that the societies will become the centres of village life in all its aspects, and will include within their scope the reconstruction of the village no less than that of its economic well-being. Departmental administrations have often, unfortunately, the tendency towards separatism, each Department desiring to evolve its own scheme and its own centres for the furtherance of its special activity for the village. But the simple needs and simpler life of the villager demand co-ordinated outlook and comprehensive approach, so that the villager may not be viewed as a bundle of so many different needs but as a whole. The multipurpose co-operative society has a great future before it in the task of rural reconstruction on all fronts.

The third aspect of rural reconstruction is the *Work* of the villager, that is the economic aspect of his life. The main occupation of the rural population is agriculture, and, like other industries, agriculture, needs facilities for finance. The co-operative movement in India was inaugurated in 1904 for this main purpose and co-operative credit societies were organised. Since then the credit movement developed quickly and by the end of June 1946, the number of societies stood at about 125,000, the number of members at 5.5 millions and the working capital at Rs. 380 million. That the soundness of the organisation depends on regular payments of the loans advanced has never been in serious doubt. The high prices during the war and thereafter have placed the agriculturist in a position infinitely better than he ever was in before. Strenuous efforts are being made to stabilise the gains and conserve the strength of the war period, so that even when things revert to normality, no serious setback may be experienced.

It is interesting to note that these credit societies did not prove self-sufficient in the matter of finance, and a sort of federal structure has grown up to support these village primaries. Central co-operative banks and banking unions were formed in the districts to which the primaries were affiliated, and provincial co-operative banks came out as apex institutions of which the district banks were members. These banks at the district and provincial headquarters supply about 33 per cent of the total working capital of the primaries, which can boast of an own capital of about 50 per cent the rest being made up of deposits by members and non-members. It must be admitted that progress has not been uniform in the different provinces. Bombay and Madras show greater development and more ordered progress than other provinces in the Indian Union, but the picture as a whole of the development and growth of co-operative credit is sufficiently creditable.

It may well indeed be asked why, in view of such developments, the co-operative movement has not reached anything like its goal in these forty-four years. In the first place, the movement was sponsored by Government and that, too, an alien Government, so that national leaders looked at it with suspicion and distrust. It remained a State policy and never became a peoples' movement. In the second place, credit in the hands of an educated person is a facility for better and greater production and consequent greater gains, but credit in the hands of the ignorant, indebted villager, often proved to be rather a curse than a blessing. The great mistake has been committed of ignoring the man. Adult education should have preceded or at least been synchronous with Co-operation. In the third place, not only did the Government sponsor and encourage the movement but it also controlled it. Registrars of Co-operative Societies in the various provinces were not merely registering officers but assumed the role of "friend and philosopher and guide". No wonder that, in these circumstances, an essentially democratic movement like the co-operative movement, a movement of the people, for the people, and by the people, failed to achieve its true stature and remained a State policy.

Another important reason, however, has been the obsession of credit Co-operation. Supply, production and sale were neglected, almost ignored. Credit was considered to be all powerful to set the agriculturist up properly. It was forgotten that the village money-lender, whom the co-operative credit society sought to replace, was not merely the usurer. There was a human bond between him and his clients, and besides he was the village trader and retailer who supplied agricultural and other requisites to them and also bought their produce. Co-operation attacked the village usurer on one front only and left the villagers to his mercy for their supply and sale. It is only by the provision of a suitable agency that would take his place in every direction and that would do all that he did, and that, too, in a better way, that the full beneficent fruits of Co-operation will be gathered.

The realisation of the urgency of non-credit developments has come out lately, more particularly during the war period. But even years ago consciousness had begun to dawn, about the need and potency of non-credit Co-operation. Quite a number of *cotton sale societies* in Bombay have been running with outstanding success and have developed processing work further by organising co-operative cotton gins and presses. The federation of these societies arranges the distribution of improved seeds and manure and also insurance of the members' produce. Other co-operative societies in Bombay dealing with special commodities, like fruits and vegetables, mangoes, arecanut and gur (jaggery) have followed suit. Several *purchase and sale unions* ministering to the needs of an entire district or its smaller sub-division have also been promoted in Bombay. Madras had paddy, groundnut and tobacco sale societies.

But progress in the direction of co-operative marketing was fitful and spasmodic. The Punjab interested itself in co-operative *consolidation of holdings*, and demonstrated how Co-operation can successfully penetrate, where even legislation fears to tread. The laws of succession unfettered by primogeniture result in continued fragmentation, making agriculture uneconomic and rural prosperity an illusion. Such societies number more than 2,000 and the area consolidated so far amounts to more than 1½ million acres. The benefits of consolidation have been apparent in the promotion of agricultural efficiency and the example of the Punjab was attempted to be copied in other Provinces and States. But it is doubtful how far permanent success and prevention of fragmentation is possible under a co-operative scheme. There are many other miscellaneous types of work directly or indirectly affecting agricultural efficiency which have been organised co-operatively. Land reclamation, prevention of soil erosion, fencing, crop protection, irrigation all and sundry have been experimented on by Co-operation. But, after all, these are but side adjuncts in agricultural economy.

The problem of the sale of agricultural produce is of fundamental importance in rural economy and the attention of the movement should not be diverted unnecessarily to tinkering with special aspects, here and there, but must be concentrated, as it was on credit hitherto, on developing an organised system of co-operative marketing. It was left for World War No. II to awaken this vivid consciousness and to the definite realisation that the future of Co-operation lay more in the organisation of supply and sale than of credit only, bolstered up here and there, with a sprinkling of societies of other types.

Co-operative marketing societies have now engaged the earnest attention of both the State and the people and efforts are being made to organise co-operative sale of agricultural produce more systematically. The credit societies are being converted into multipurpose societies and co-operative opinion, official and popular, has definitely grown in volume and insistence for vigorous all out effort for co-operative marketing.

So far, however, co-operative marketing is reluctant to shoulder the functions of trading and is content with functioning as an agency disposing of the members' produce on a commission basis. With experience, this limitation and restriction will have to go and a fully developed organisation will enable even holding up the produce for a rise in prices. At present, a sort of federal structure is in the process of evolution, as in the case of credit. The multipurpose societies serve the credit, supply and sale requirements of a village or a group of villages. These primary units will be linked up with district federations and these will in turn be served by the apex provincial marketing organisation.

Apart from the multipurpose societies, the number of marketing societies in Bombay is already about 200. It is of interest to note, that the better class of agriculturists, who refuse to join the village credit

society on account of the bugbear of unlimited liability, are willing to join marketing societies and take interest in their management. *Provincial marketing societies* already exist in Bombay, Madras and the United Provinces. The Bombay society has made a good beginning, as a central agency for the distribution of rationed articles to consumers' stores, for purchase and sale of consumers' goods, tools and implements, and also for the distribution of groundnut oil cake, chemical manures and paper to co-operative institutions.

The United Provinces have registered, however, a remarkable progress in the development of co-operative marketing. The most important aspect of the movement in the region is the development of *cane societies*. They are combined into *cane development and marketing unions*, which have been responsible for supplying 70 per cent of the total cane supplied to the factories. This swift progress has been possible, because of the active assistance of the Provincial Government. The *Provincial Development and Marketing Federation* in that Province has been doing fairly good work during its 5 years of existence. The adjoining Province of Bihar also shows similar progress. The number of cane societies in the two provinces is about 5,000 and the number of unions about 150. Bengal is one of the most important provinces which calls for co-operative marketing, perhaps more powerfully than any other province. Jute and paddy are the two great commodities, demanding earnest attention and while earlier experiments have not succeeded, Bengal is striving under the impetus of the new Government to have provincial, district and village units for organising sale and supply.

Agriculture in India is generally speaking a nine months' occupation, leaving to the agriculturist an enforced leisure for at least three months. Vastly extended irrigation, greater manuring, consolidation of holdings and larger farms with better tools and implements would be necessary to make agriculture a twelve months' job. Agriculture must become intensive. Further, the agriculturist must not be content to sell his produce as he reaps it but should engage himself in processing work, so that the produce may be converted into the form required by the consumer. Paddy must be husked and milled into rice; wheat must be converted into flour; raw cotton must be ginned and pressed into bales; groundnuts must be decorticated and crushed for oil and oil-cake. Or, in the alternative, small subsidiary industries should be taken in hand. Apiculture, pisciculture, sericulture or silviculture, basket-making or rope-making, leather-making or match-making—one or more best suited to the agriculturist's needs and leisure should be developed. Above all, the *Charkha* provides the great age-long supplement to his slender income. Whether the agriculturist can or cannot take up these occupations economically may be open to doubt; though with assistance in men, money and materials from the State, there would not be much room for such doubts. But the question is of providing occupation for the agriculturist during his enforced leisure

of at least three months. Obviously no person can maintain himself and family for 12 months on the earnings of 9 months and the agriculturist cannot be allowed to carry on any longer with three months' vacation without pay. Attention is, therefore, being increasingly focussed on the development of village industries and on cottage industries in general. In recent years, China built up under stress of war a highly successful structure of industrial co-operatives—the Induscos—and India has taken up the matter earnestly, so that industrial co-operatives are being organised in large numbers. Handloom weaving being a cottage industry of considerable importance, *weavers' societies* have already made much headway, notably in Madras and Bombay, though the United Provinces is fast making up leeway. Madras and the Central Provinces have even organised provincial handloom weavers' societies, Bombay has recently set up district industrial federations and a provincial industrial co-operative association and expects to promote cottage industries at a fairly rapid pace.

Co-operation has thus entered into the field of rural reconstruction in no uncertain or hesitant manner. The economic aspect of the village has engaged its attention more fully, it is true; but its contribution to the reconstruction of the man and the village have not been meagre. The programmes and policies of expansion, diversification and re-orientation hold out high hopes of potent possibilities and the next ten years should show striking success of co-operative endeavour. The problem is immense and has far-reaching implications. India is yet in the main a land of villages and reconstruction of the whole village life is a stupendous task. It requires close co-ordination of effort, dogged determination, purposeful persistence and energetic efficiency of all concerned—the State, the local leaders and the urban intelligentsia. Loose talks about conscription for social services in villages do not mean much. It is not mere words in the press or on the platform, in the committees or in the conferences, in the councils or communiques, in pronouncements or in announcements that spell success. Success follows deeds and deeds only come from grim realisation of the need. With the attainment of freedom, India is faced with numerous problems of the first magnitude, but apart from defence against aggression from without and transgression from within, other problems may well wait for a few years. Attempts to tackle all problems at the same time lead nowhere. Concentration is essential and imperative on rural reconstruction which demands the first priority. And, what other agency can shoulder that burden in a country which has for its goal a Co-operative Commonwealth, but Co-operation! Well does India see in it "the best hope of Rural India", for indeed to her, there is "No Salvation without Co-operation."

CO-OPERATION AND POLITICS*

By

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First of all I wish to point out that my lecture will deal with the relations of the co-operative movements to politics only in such countries where there is no one-party system. In countries where one political party has a decisive influence upon the economic development, the relations between the co-operative movement and party politics necessarily are of quite another type than is the case in countries where several political parties appear as competitors in the general elections and where the majority may shift from one group of citizens to another and, as a consequence, the Cabinet will from time to time have different colours in party political respects. Not being acquainted with the problems in the first type of society I am not going to deal with them at all in this lecture.

The Neutrality Principle

The natural starting point for my lecture is the Rochdale Principles. Among these principles there is one stating that the co-operative movement as such shall be open to all citizens who wish to promote the co-operative development. The implication of this principle is naturally that a co-operative enterprise as such cannot make political decisions or engage itself in party political struggles or in religious disputes. Co-operative enterprises as such have to abide by the principle of political and religious neutrality. I need not dwell upon the historical background of that neutrality principle. The experience derived already by the Rochdale Pioneers clearly showed the risks of splitting the co-operative movement according to different religious and ideological creeds. As this is very thoroughly discussed in the reports to the I.C.A. Congress in London in 1934 and the I.C.A. Congress in Paris in 1937, it may suffice to quote some sections of the 1934 report on political and religious neutrality:

"With regard to the origin of neutrality in the co-operative movement, the following facts may be of interest as they carry its introduction into Co-operation further back than the Pioneers' Society. In 1892 the Co-operative Congress held in London adopted the following resolution:

'Whereas the co-operative world contains persons of all religious sects, and of all political parties, it is unanimously resolved that co-operators, as such, are not identified with any religious, irreligious, or political tenets whatever, neither those of Mr. Owen nor of any other individual.'

*Lecture delivered at the International Co-operative School at Jiloviste, Prague, Sept., 1948.

Neutrality in politics and religion is not expressly mentioned in the "First Law" of the Pioneers and it is doubtful whether the Rochdale Weavers thought it necessary to embody in their statutes a statement of principle that would be obvious if it were discussed, and in the absence of the organisation of political parties, such as we know them to-day, would be unnecessary."

A further interesting historical evidence is contained in a letter from Abraham Howard, President of the Pioneers' Society, 1881. Quoted by Holyoake, Part II, Chapter XII.

"The principles of the Rochdale Co-operators are, 1st, not to enquire into the political or religious opinions of those who apply for membership into ours or any of the various co-operative societies in our town; 2nd, the consideration of the various political and religious differences of the members who compose our societies should prevent us from allowing into our councils or practices anything which might be construed into an advantage to any single one of each sect or opinion."

The letter from which the foregoing extract is quoted was addressed to the Press in response to an attack on the society charging it with exercising 'sectarian influence'. The statement of principles which it contained was approved by the Board and the General Meeting of the members, and was ordered to be entered upon the minutes by a special resolution of the members.

It was further recommended 'in the name of the Pioneers and co-operators of Rochdale that all new societies stand by the principles above laid down, and never seek to enquire what politics or what religion the persons applying for membership are, but take all those who are willing to subscribe to the rules.'"

The experience referred to was naturally influenced by the special conditions which were prevailing at the time when the co-operative movement was founded, now more than one hundred years ago. It may be said that since that time there has been such a transformation of society as a whole that the state of things is now quite different.

It is certainly true that the general economic conditions have changed tremendously during one century. In many countries the religious differences play a much less important role nowadays than a century ago. On the other hand there is no doubt about the enormous widening of the sphere in which party political discussions now have a decisive influence in comparison with what was the case a hundred years ago. In the middle of the last century the scope of the State's authority was much narrower than it is to-day: the State had to protect the citizens against aggression

from abroad and secure their civil rights as laid down by the Constitution and in common law. During the liberal period the State did not in other respects interfere in any considerable extent in the economic and social life. The State was called "A Guardian State".

Nowadays the activities of the State are extended to every corner of the community through economic and social legislation and so on. The technical development has made it possible for the Government to intervene in and to regulate different spheres of the economic and social activity to a much greater extent. The Government of a modern State is influencing the economic and social structure in a most important manner. It may naturally be argued that, this being the case, there does not exist to-day the same possibility for the co-operative movement to avoid party political engagements as formerly. The economic and political problems in the modern State are so interwoven with one another that a form of economic enterprise cannot look upon the party political decisions as immaterial. It may thus be argued that the co-operative movements are, so to say, forced to take part in political decisions in a more or less direct way in order to protect the economic interests of the members and their enterprises. This argument ought naturally to be considered very carefully. As a matter of fact this very problem was discussed in the Report to the I.C.A. Congresses both in 1934 and 1937, and the position was taken that while the co-operative movements undoubtedly had as their most important task to defend the interests of the consumers this protection could best be achieved without linking the movement to any special political party. I quote the Report to the Congress 1937:

"The Committee desire to emphasise the fact that the political neutrality of Co-operation is not a renunciation of the responsibility of co-operators to defend the legitimate interests of their economic system before the legislature, but rather a strengthening of their defence by reason of its freedom from identification with any particular political group or party, thus enabling the movement to give the most catholic and representative character to its claims, whether for equitable and just treatment under the law; the reform of the law; or even new legislation."

It may be mentioned in this respect, that the enquiry about the attitude of different co-operative movements towards political and religious neutrality showed that a very big majority (84 organisations out of 90) declared their adherence in principle and in practice to neutrality in politics. I may add, as a representative of the Swedish Co-operative Movement, that co-operators in our country are of the opinion that consumers' co-operation will have the best opportunities to defend the consumers' interests on the basis of political neutrality. We have the firm conviction that party political engagements by the co-operative movement involve such grave risks in different respects that the possible advantages of such an attitude are insignificant.

In order to make clear our position towards the co-operative neutrality problem in Sweden, I think it is necessary to discuss not only general arguments in favour of our point of view but also to dwell more in detail on practical examples. I think the problem may be most clearly demonstrated if I discuss the reasons for political neutrality within consumers' co-operation separately. Other forms of co-operative enterprises, for instance farmers' co-operation and housing co-operation, have at least to some extent similar problems.

The Protection of the Consumers' Interests in the Modern State

Let us first of all state that the consumer interest has a very general character. In modern society where different groups of producers have formed strong organisations in order to protect their special interests, it is necessary to have some counterbalancing force in the form of an organisation protecting the consumer interest. The modern society is characterised in a high degree by big units in the economic life, which exert much greater influence upon the market as a whole than was the case in earlier periods when the economic life was built upon many small units, which each had but scant influence on price and market conditions. These small units have now been merged into strong collective bodies, which have a decisive influence upon the markets. Strong organisations unite individual enterprises and the individuals themselves, and we have a system of collective bargaining which decisively influences the pricing process on different markets in modern society. This means, for one thing, that the liberal pattern of price fixing has been destroyed, and together with its disappearance the protection given to consumer interest in the form of free competition between many small units has been lost. Under the prevailing conditions of a kind of collective bargaining between strongly organised interests, it is an absolute necessity that the consumer interest should protect itself by the most comprehensive and strongest organisation possible.

The consumer interest, as already mentioned, is of a very general character; it so to say cuts through practically all strata of society, and cannot be identified with any special party political line. To protect the consumer interest it is necessary, irrespective of political differences from day to day on certain questions, and irrespective of party political differences in the long run, to have a free and voluntary organisation built up by as many consumers as possible to protect the pure economic consumer interest. If my sketchy analysis is correct, it follows that a splitting up of the consumer organisation into different groups, according to different party political opinions or according to any other ideological or occupational ground, would mean that consumers' co-operation would be less effective as an instrument to protect the common consumer interest.

Some Practical Examples

I may mention as an example from Sweden that the co-operative movement has been able to influence the agricultural protective policy to the benefit of the consumers in several respects. This agricultural policy started already in the early thirties as a result of the international industrial and agricultural depression and has been carried on ever since. From 1938 agricultural policy has been decided by political compromises between the Labour Party and the Farmers' Party in this country. I have myself followed the development in this special field very closely, and I think I can say that if consumers' co-operation had been affiliated, for instance, to the Labour Party, to which the majority of the members within the movement probably belong in political respect, this would have meant that the movement's possibilities to look after the consumer interests in the best way would have been considerably less than has in fact been the case. The independent position of the consumer co-operative movement towards the political parties and their changing policies has been of great value.

If a co-operative movement is affiliated to a political party it is evident that the members belonging to other political parties will take a hostile view about the movement itself. This must diminish the possibility of getting support from all groups of consumers and will make the movement less efficient. It may be said against this conclusion, that a splitting up of the co-operative movement according to different party political viewpoints may also have some advantages. The example often mentioned in this connection is the Finnish case. Both the Finnish movements, the so-called neutral movement and the so-called progressive movement, are competing with one another in retail distribution. This has meant that probably a larger part of the Finnish population has been won over for the co-operative movement than would otherwise have been the case. In Finland the co-operative proportion of the total retail trade is no less than 40 per cent. On the other hand, however, it is acknowledged, even by the co-operative leaders themselves, that the splitting of the movement into two sections of about the same magnitude has made it much more difficult for the Finnish Co-operative Movement to start big scale industrial enterprises to protect the consumer interests against cartels and private monopolies.

If the splitting of the co-operative movement according to political and religious differences should be very far reaching in a country, one could visualise a great number of co-operative organisations competing with one another, each too small to be able to influence price fixing effectively from the consumers' point of view. How such a splitting up would turn out in practice would depend, among many other things, upon the economic and political structure of the country concerned. In countries where a very big proportion of the population is engaged in manufacture, trade and so on, and a very small percentage in, for instance, agriculture, the risk in establishing too many small competing co-operative

movements might be less grave than in countries where the industrialisation process is not so advanced. But even in highly industrialised countries where the number of members belonging to the working population is very important, party political engagements might entail the risk of splitting the movement if it should join or support the Labour Party. The co-operative movement might then meet with the same difficulties as the Trade Union Movement in several countries where the Social Democrats and Communists have been fighting intensely to obtain control of the local Trade Unions or the central organisations of the Trade Union Movement. In a democratic State where the political majority may shift, serious repercussions are probable for a co-operative movement not adhering to the neutrality principle.

A Special Co-operative Party?

My survey would not be complete if I did not mention the possibility of creating a special co-operative political party. As you all are very well aware, this method has been tried in Great Britain, and there is no need for me to enter upon the reasons which prompted the British Movement. My personal opinion about forming a special co-operative political party may be expressed as follows: The risk is that the co-operative party may be looked upon by the other political parties as an intruder with the result that they might be more or less hostile against the movement as such. To diminish this risk, the Co-operative Party may naturally try to collaborate in the elections with some of the other parties. As far as I know, such a collaboration has been established in Great Britain between the Labour Party and the Co-operative Party. Such a close collaboration with a political party has naturally in many respects the same drawbacks as a direct party political engagement. When the party with which the movement directly or indirectly collaborates is in power, the movement might get some advantages. On the other hand when the party in question is no longer in power, this might result in some political action being taken against the co-operative movement. I am not familiar enough with the practical experiences of the co-operative movement in Great Britain under Conservative and Labour Cabinets to be able to illustrate my general reasoning on this point. There can, however, be no doubt about the possibility that such a political affiliation may lead to such consequences.

To form a quite independent co-operative political party would in my opinion, indeed be very difficult. The basis for such a party must necessarily be very narrow. The co-operative movement as such must demand such legislation regarding taxes and other economic State measures as will enable it to compete with private traders and producers on equal terms. This means that the movement should not ask for special favours or subsidies from the State nor, on the other hand, should it be subjected to discriminatory legislation. Equal treatment of different forms of enterprise competing with one another in a modern community is necessarily a consumer interest

proper. If consumers' co-operation and other enterprises are looked upon not as ends in themselves but as means for giving the consumers and citizens in general the greatest possible advantages, it is natural that competition should be effected on equal terms between different forms of enterprise. Only if such equal conditions prevail will it be possible to get an objective estimate of the real effectiveness of different forms of enterprises. If a Co-operative Party be founded with this specific programme—that is to say, to work for equal treatment of different forms of enterprises—such a programme must necessarily be a very narrow basis for a political party. The political parties in democratic States have to draw up programmes covering a much larger field than this, they have to deal with internal and external politics, not only in the economic field but in many other respects. For that reason alone it is very difficult to see how a special Co-operative Party could function without entering into collaboration with some of the existing parties.

I am, of course, not trying in any way to suggest how the British Co-operators should act in this respect. The solution at which the British Co-operative Movement has arrived, is, I suppose, the best way in which to protect the consumers' interests in Great Britain having regard to the conditions prevailing, and I repeat that I am not familiar with the practical experiences of the party political work carried on by the British Movement. My only intention has been to show the reasoning which has led the Swedish Movement to avoid party political engagements, as well as the starting of a special Co-operative Party.

How Co-operation can influence Economic Policy

So far I have dealt exclusively with the so-to-say negative aspect of political neutrality. As already mentioned, the Swedish Movement, like many others, is of the opinion that the best way to protect the consumers' interests is to avoid party political engagements. It is then natural to ask by what methods the co-operative movement can influence especially the economic policy in the modern State in such a manner that the movement is not deprived of its right to develop freely and extend its activities to new fields. This is, so-to-say, the positive aspect of the neutrality problem, and in dealing with this question I confine myself to the experiences which the Swedish Co-operative Movement has gained during several decades. In order to show by which methods the co-operative movement has a possibility of influencing State decisions in the economic policy it is necessary to sketch very briefly how big economic problems are generally dealt with in our country.

According to Swedish experience it may be mentioned that there are four principal stages in which important economic questions can be influenced by the co-operative movement:

The Inquiry Stage:—In Sweden, as in several other countries, great economic questions in the field of State regulation are first of all

put to a thorough examination through inquiry committees. Such committees are, as a general rule, appointed by the Cabinet. As members apart from some members of the Parliament, are chosen persons who represent different kinds of technical knowledge concerning the problem to be investigated. The Cabinet, irrespective of its party political composition, has tended more and more to appoint persons representing different popular movements and economic interest organisations as members of such committees. The co-operative movement has, for example been represented on most of the important committees concerning different aspects of the economic policy of the State and post-war planning on the whole.

The Transmission Stage:—When a committee has concluded its work and placed before the Government proposals for State measures, its report, very often including much documentation, is sent to all the big popular movements and economic organisations in the country, the official bodies of different kinds, and so on. The purpose of this procedure is to get the most complete knowledge possible about the attitudes of the interests concerned to the proposals of the committee. The views, expressed by all groups of experts concerned, are then taken into consideration. The views expressed, as well as the committee's report, are public documents just as all civil State documents. The people as a whole can make themselves acquainted with them through the press and in other ways. Press discussion, which is totally free and unrestricted, often follows on the points of view expressed during the so-called transmission stage.

The Parliamentary Stage:—According to the extent to which the proposals of the committee have been accepted by the interests concerned, the Cabinet prepares a bill for Parliament. The draft bill or other proposals to be passed by Parliament are discussed within the separate Committees of Parliament, and it rather often happens that these committees ask for complementary points of view from the popular movements and other interested groups, especially if the problem is intricate.

The Executive Stage:—When the bill has been accepted by Parliament there may in some cases be a fourth stage, in which the popular movements and other groups concerned may have the possibility of influencing the execution of the measures. If the handling of the new legislation or State regulation requires a special State body, it frequently happens that that body will be constituted so as to represent different groups of interests. The co-operative movement in Sweden is represented on several such bodies.

These principal methods to influence State economic policy and State measures, which are more and more practised in Sweden, have been mentioned to show some of the ways of looking after the interests of the co-operative movement and its members.

It may be added that the actual influence which the movement can have upon different economic State measures naturally depends to a high degree upon the quality of the arguments put forward by the movement. As a general rule a great deal of documentation is given in the reports of the Swedish Movement to the State Authorities to support the views expressed, and experience has shown that this painstaking work has in many cases given good results. It has been possible to alter several parliamentary bills and proposed legislation of great importance to the co-operative movement, thus giving a better protection to the general consumers' interests. It may be mentioned that the co-operative union and wholesale society regularly publishes the views it has expressed in the transmission stage of a bill, and that every member of the Swedish Parliament receives a copy of K.F.'s views on all important questions. These printed documents are furthermore placed at the disposal of the daily papers and so on.

In order not to prolong my lecture I shall avoid giving examples of how the co-operative movement has been able to influence the decision taken by the State Authorities on different actual problems.

A second way by which to influence general economic policy is that the co-operative movement should keep contact with co-operators belonging to different political parties who are members of Parliament. Through such more informal contacts it is possible to get the special co-operative points of view recognised and discussed.

A third way of importance is organisation by the co-operative union and wholesale society of special courses for different groups of influential persons to acquaint them with our points of view in general and with special problems. As such may be mentioned the courses at the co-operative college for journalists on the staff of the daily papers of different political colours; courses for leaders of both political and non-political youth organisations, and so on.

A fourth method is by giving publicity to resolutions passed at important co-operative meetings, for example, the annual co-operative congresses, co-operative district meetings, and meetings of the district boards.

As a fifth group of methods of influencing the general economic policy may be mentioned the Co-operative Press, the Co-operative Publishing House and the Co-operative Study Circle activity. As the co-operative weekly paper "vi" (Ourselves) has the biggest circulation of all periodicals in Sweden, its editorials and articles on general economic policy, etc., have an important influence on public opinion.

In summing up it may be said that the Swedish experience shows that it has been possible without creating a Co-operative Party and without

affiliation to any political party to influence indirectly the general economic policy in an important way. The Swedish experience shows that the very fact that the co-operative movement has preserved its independence has strengthened its possibilities of gaining the respect of the different political groups for co-operative opinion on economic problems which is essential for the movement. For instance, the history of co-operative taxation from the early thirties up to now is an example; several others could be mentioned.

I have only discussed so far the problem of political neutrality from the consumers' co-operative point of view in our country. As regards the farmers' co-operative movement in Sweden the attitude towards political engagements is in principle the same. There have been some discussions about collaboration between farmers' co-operation and the farmers' political party but the farmers' Co-operative movement has through its leaders expressly adhered to the neutrality principle. Among the members of the farmers' movement in Sweden the majority without a doubt, belongs to the farmers' own political party, but there are also large minorities which belong to the Liberal Party and the Conservative Party, while a not unimportant group of small landholders, who are members of the farmers' movement, are social democrats. If the farmers' co-operative movement in our country should join the farmers' political party that would undoubtedly mean a split of the movement just as would be the case if the consumers' co-operative movement should join, for instance, the social democratic party. What has been said about the methods by which consumers' Co-operation can influence the general economic policy applies equally to the farmers' co-operative movement.

With the special structure of Swedish society and the important role which the big popular movements play in the economic life of our country the solution we have arrived at seems to be quite adequate. This means, as far as the co-operative movements of different types are concerned, that we have been able to accept in practice all the Rochdale Principles. We consider these Principles to be a very sound basis for building up a successful co-operative movement even in a modern State where the governmental decisions on the economic life play a far more important role than was the case a century ago.

CO-OPERATIVE EDUCATION IN BOMBAY PROVINCE

By

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The Co-operative Institute was established in July 1918 but it would interest the readers to learn that co-operative education and propaganda in Bombay Province preceded the establishment of the Institute by a good few years. The educational work for which the Institute has made itself responsible had its origin, even prior to the formation of the Institute, in the training classes for secretaries which the Servants of India Society organised and conducted successfully for a number of years in Bombay with the help of a few prominent co-operators in the city and with the active support of the Co-operative Department. With the starting of the Institute, charged with the duty of imparting education to members of co-operative societies and to workers in the co-operative movement, the need for a separate machinery for this work existed no longer. Thereafter, in addition to the classes in Bombay, training classes came to be organised in the districts more or less on the same lines. A little later training classes were arranged for supervisors, employees of urban banks inspectors of central banks and managers of banks.

One of the features in the constitution of the Institute as amended in 1926 was the creation of the Central Education Board, which was entrusted with the specific function of prescribing courses of instruction for training classes, conducting examinations and awarding certificates and diplomas. To meet the growing demand for training, the Institute opened three co-operative schools for the three linguistic sub-provinces of Maharashtra Gujarat and Karnatak at Poona, Surat and Dharwar. Wherever possible the schools were placed in the charge of prominent co-operators as honorary principals who recruited the staff locally, and also requisitioned when necessary the honorary services of local co-operators, official and non-official. The expenses were met partly from income by way of fees and partly from grants by the Institute. This interesting development in the field of education came, however, to an end in 1936, when the Institute found that the demand for training was on the decline after the effects of the economic depression came to exercise adverse influence, particularly on rural Co-operation. The total number of students who underwent training in the schools was a little over 400. Another reason which may be assigned for the set-back to the educational activities of the Institute was the unfortunate decision of the Government of Bombay, in concert with all other provincial governments, to utilise the special subvention for co-operative education received from the Government of India on educational courses of various types to be conducted by the co-operative department itself independently of the Institute.

In 1939 a major decision on policy was taken by Government vis-a-vis the Institute, viz., abolishing the branches of the Institute in the districts. As the Institute had all along functioned in the province only through branches, this decision meant putting the Institute in cold storage. The constitution of the Institute was revised in 1942 and local agencies for the work in the districts were provided in the form of District Boards of Supervising Unions which have now been remodelled as District Co-operative Boards. After the adoption of the revised constitution in 1942 the Institute made heroic efforts to set its house in order and to pick up the threads of co-operative education where it had left them. Owing, however, to the war and its after-math and the general unsettled political situation of the country not much progress could be made during the four years 1942-'46. It might be mentioned that the Institute revived, in 1944, the three regional schools mentioned above, but they had again to be closed the next year. In 1945-'46 the Institute conducted evening training classes in English at Bombay and Poona, which may be regarded as the precursors of the Co-operative Training College which was established later in June 1947.

The coming into office of popular ministries on 1st April 1946 meant a great thing for the country, politically. So far as Bombay Province was concerned it was an event of first-rate importance that Sri Vaikunth Lal Mehta, a recognised authority on Co-operation, not only in this province but throughout the country, was appointed Minister for Finance, Co-operation and Village Industries. Constitutional purists might cavil at an expert being in charge of a particular portfolio as Minister, but in practice Mr. Mehta's presence in the Cabinet has given a great fillip to the co-operative movement in Bombay. Immediately after taking charge, he appointed a Committee to "examine the existing arrangements for co-operative education and for the training of the staff of the Co-operative Department and the various types of co-operative institutions and to recommend to Government on what lines and through which agencies this should be developed to meet the growing needs of the co-operative movement." The Committee was presided over by Sir Janardan Madan, who has been Chairman of the Institute since 1942. The Committee drew up a detailed plan of co-operative education and the recommendations of the Committee were accepted by Government *mutatis mutandis*.

The main recommendations of the Madan Committee which are being implemented by the Institute since June 1947 may be summarised as under :—

(1) Arrangements for separate training by the Bombay Provincial Co-operative Institute and the Co-operative Department should be replaced by a scheme planned as a whole and functioning under the ægis of the Bombay Provincial Co-operative Institute.

(2) Arrangements for co-operative education and training should be grouped into three categories, (a) district, (b) regional (c) provincial.

(a) Within each district, classes should be organised for training secretaries of agricultural credit societies and similar small organisations and for imparting co-operative education to the committee members of such societies and organisations. This should be done through the appointment of whole time permanent and well qualified education supervisors in all districts.

(b) Regional schools should be set up in the three linguistic divisions of the province, viz., at Poona, Surat and Dharwar. At these schools thorough training should be given to the lower staff of the Co-operative Department and co-operative institutions, in particular to Supervisors, Bank Inspectors, Assistant Co-operative Officers and Secretaries of big multi-purpose societies and small taluka purchase and sale unions.

(c) A Co-operative Training College should be established at Poona which should arrange for training of higher departmental staff and persons holding key positions in co-operative institutions.

Under (a), (b) and (c) above there should be arrangements for holding special classes for the personnel of special types of societies and for holding refresher classes.

(8) Apart from the intensive training of the paid wholtime personnel it is necessary to make arrangements for a diffusion of co-operative knowledge among co-operators and the general public through (a) introduction of suitable lessons on Co-operation in textbooks for schools, (b) periodic talks on Co-operation and allied subjects through the rural broadcasting section of the Bombay station of the A.I.R. (c) arrangements for extension lectures on Co-operation and allied subjects in schools and colleges, and by other means.

The establishment of a Co-operative Training College in Poona is a novel feature in the history of co-operative education not only in this province but perhaps in the whole country. The ambitious scheme of co-operative education started by the Institute since June 1947 raises certain problems and on their satisfactory solution depends the future of co-operative education in the province. More, if the Bombay scheme succeeds, other provinces, at any rate the major ones, would like to undertake similar schemes. It would not be wise to ignore the lessons of the past. The co-operative schools which were started by the Institute in the thirties failed for lack of sufficient response from the co-operative institutions and the general public. That tragedy must not recur and co-operative workers in the province should be on guard to see that the stream of new entrants to the schools and colleges does not dry up. There is no need, however, for under pessimism. On the contrary, times were never more propitious for

an educational drive than at present. The rapid expansion of the co-operative movement and the general recognition of the need of training in all spheres of human activity are factors which ensure the success of the Bombay scheme. Old-world ideas about people being able to do their job just by being at it have been discarded practically in every sphere of human activity. There are to-day training classes and schools for such diverse occupations as teachers, artists, social workers, labour officers etc. Much more, therefore the need for education and training to co-operators who are acclaimed on all hands as architects of a new order.

Granting the necessity of co-operative education and the existence of a well thought-out scheme, what remains to ensure success is the readiness of co-operative institutions to make the necessary sacrifices; in other words, to foot the bill. The Government of Bombay are giving generous grants for the educational activities of the Institute and from the said grants the expenses of the College the regional schools and the salaries of the Co-operative Training Inspectors in each district are met. The expense which co-operative institutions which take advantage of these educational facilities have to incur is mainly that on the tuition fees, the out-of-pocket expenses and the stipends equal to the salaries of the trainees whom they depute to the College, the schools and the training classes. If the co-operative institutions grudge to bear this expense and hesitate to send their employees for training the whole scheme will collapse like a house of cards. It can never be too much impressed on the authorities of co-operative institutions that money which is spent on the education of their staff is the best possible investment yielding high dividends in their efficiency. The movement has expanded and is expanding sufficiently and if co-operative institutions play their part, there need be no dearth of candidates for the College, the schools and the training classes. At the College, training is spread over a period of twelve months, nine months being devoted to lectures and three months to practical training. At the schools, the academic term is of four months while two months are spent on practical training. The secretaries' training classes are generally of four to six weeks' duration. These periods cannot be considered too long and co-operative institutions of various grades should be able to send their employees for training and meet the necessary expenses. As co-operative societies are autonomous bodies and the education of the employees is in their own interest, it is a matter in which Government cannot press anything. It is the co-operative institutions which must come forth to pay for the education of their employees, especially as the need of such education is readily recognized, and thus ensure the success of the great experiment we are making in Bombay.

CO-OPERATIVE EDUCATION IN BIHAR

By

RAI SAHIB A. B. N. SINHA.

If general and technical education are a function of the State, co-operative training should be so all the more. It is wrong to suppose that Co-operation is a mere Department of Government. It is in that way not even an organisation or an institution; in its higher sense it is but a manner of thought and action that lifts the poor and helpless individual to the plane where he can achieve all that wealth and power can give. Co-operation opens the portals of power and is verily the 'open sesame' of all agricultural and industrial improvements. The true test of the assimilation of the essence of co-operative movement is that the people should take the management of their own affairs in their own hands. That requires intensive co-operative training from very early years right up to the post graduate classes.

In the present age of wars all around—wars between one country and another, one race and another, one group and another, between labour and capital, employer and employee, landlord and raiyat, house owner and tenant—where strikes are the fashion of the hour, peace can come only through the co-operative way. This co-operative way has to be taught and fully fostered all around if success is to be attained.

Bihar, one of the earliest of the Indian provinces to appreciate the usefulness of co-operative training started its first co-operative training institute in 1924 under the development officer, Mr. Ali Hasan, who besides was responsible for the propaganda work of the movement. This Institute developed into a full fledged college, styled as Durga Prasad Training College, with a wholtime Principal in the person of Mr. B. B. Mukherji of the Bihar Educational Service and three lecturers in the grade of Rs. 200—10—Rs. 800 besides a number of distinguished non-officials as honorary readers in particular subjects. The course was for one year, with six weeks field training and six weeks apprenticeship in a central bank. There was a hostel, where all students messed together and were given practical training in co-operative life, co-operative farming, co-operative marketing and the running of a co-operative kitchen. It is significant that out of a total budget of over forty thousand, Bihar Government did not contribute more than Rs. 2,500 and the balance was met entirely by contributions from central banks and societies. Besides the College, there was a training institute at Cuttack with two lecturers. At about this time the Bihar Co-operative Federation spent another sixty thousand over propaganda, mainly from contributions from co-operative institutions.

The announcement made by the Government of India in 1936-37 to set apart a portion of its funds for training of co-operative workers in each

province was the signal for the closing down of the Training College in Bihar. The training levy imposed by the Congress of Central Banks and Societies on themselves was penalised and thus a very useful institution in Bihar was closed. On its ashes, however, grew an apology for an Institute, which now exists as an itinerant body moving from place to place evoking little respect and creating less tradition.

The Government Co-operative Training Institute—the only one in this province—trains the staff of co-operative societies as also non-official workers including staff and workers of cane growers' societies. With the operation of the Rehabilitation Scheme, greater attention is being paid to the training of the staff of the reconstructed societies. The course usually lasts for three months. Short refresher courses are provided for old employees. The cost is met entirely by Government and the expenditure in 1947-48 was Rs. 81,812. It has one Principal and two lecturers. Three more lecturers are to be appointed now.

The Co-operative Planning Committee fully discussed this question and came to the conclusion that there should be a Co-operative College in every province with a well qualified and adequate staff consisting of a Principal and at least three professors. The course of training should include field work for six weeks. A definite recognition should be given to the examination conducted by the College and no recruitment should be made to the co-operative service so long as the recruits do not get a certificate from the College. From the school stage books on Co-operation should be taught. In colleges, Co-operation should be a compulsory subject all through, both in arts and science colleges.

So far as the Government of Bihar is concerned, there is no doubt that it is "determined"—in the words of the Hon'ble Premier—"to revive the movement not only keep it alive but also to make it beautiful so that the life of the villager may be fuller and richer in every way". There is no doubt the movement has been rehabilitated and is alive to day. But there seems to be no programme yet to apply it to the life of the villager. The report of the Co-operative Planning Committee is there, in which the best brain in the movement including the representatives of the Government of India and the Reserve Bank of India took part. The recommendations of the Committee were adopted at the Madras Conference of Co-operators, held under the presidentship of the Hon'ble Dr. Rajendra Prasad. But I am not sure if this Report has yet been officially considered by the Bihar Government. Nothing, however, seems to have been done to implement the recommendations. Nor is there any other proposal to give effect to the determination of the Hon'ble the Premier to make the life of the villager fuller and richer through the co-operatives.

To my mind, co-operative method should be employed in agriculture, to bring more land under cultivation, to procure better seeds and manure

and to improve irrigation all with a view to increase production. The village industries can best be developed through co-operative societies. Purchase and sale societies would eliminate the middle man and give to the village people more value for the money. Education can be made cheaper and more efficient through co-operatives. Public Health can be better looked after through co-operatives. Innumerable are the advantages of applying Co-operation fully to the life of the villager. A scheme is already before Government, and all that is necessary is to have a small sub-committee to suggest ways for its implementation to the conditions of Bihar. That should not take a long time and it is to be hoped that by the beginning of the next financial year, a serious start will have been given to this. But paramount above all is co-operative education and propaganda which will make the success of the determination of the Bihar Government a certainty in the near future.

As has been said above, Co-operation is a method of thought and action. From the very beginning, students should be taught how to cultivate school plots on co-operative lines, how to make co-operative purchase of their requirements and how to produce industrial goods, such as cloth, toys, etc., on co-operative lines. In colleges too, students living in hostels should be encouraged to select co-operative method as the only one to satisfy their requirements. A report should be periodically asked for from every Head-Master and Principal regarding the development of co-operative mentality in their institutions. If the future is to be saved from Capitalism on the one hand and Communism on the other, Co-operation provides the only permanent cure. Co-operative training and propaganda have, therefore, a value all their own in the future constitution of the world States.

CO-OPERATIVE EDUCATION IN ORISSA

BY

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Co-operation is no longer in an experimental stage. It has been well tried and proved as the best medium for all sorts of business enterprises having a very wide scope. The present age is the most suitable time for co-operative enterprises as their activities are managed and controlled by democratic principles, which also govern the political affairs of most of the civilised and advanced nations. But unless the people at large properly know the principles of Co-operation and their proper application it may not be possible to have the desired effect and to achieve the success to the extent expected of the co-operative movement. Here comes the question of co-operative education.

As we read from the co-operative literature published by European and American countries, we find that the co-operative organisations in those countries are taking elaborate measures to impart co-operative education both in theory and practice not only to the co-operative employees and candidates seeking service in co-operative organisations but also to the common people, who constitute the basis of the structure of Co-operation. Generally, the co-operative unions, leagues or federations or wholesale co-operative societies take up the responsibility of spreading co-operative education among the members or prospective members of their constituent co-operative organisations. In those countries co-operative education is imparted in various ways, such as by opening co-operative schools and colleges providing for both short and long term courses for candidates seeking service in co-operative organisations. They also organise study circles, buying clubs and lecture tours for imparting co-operative education to the common mass. Besides these methods they also publish a number of co-operative journals, periodicals, pamphlets, books and other literature broadcasting the co-operative ideal among the people at large. But so far as our country is concerned, unfortunately our co-operative organisations are not strong enough to undertake all these responsibilities. Of course, some co-operative unions and federations in our country also publish some co-operative journals; but that is not enough to educate the mass to the desired extent. Co-operation in our country is still a spoon-fed baby nursed by the Government. So naturally the responsibility of co-operative education rests on the Government.

In this province, Orissa, so long the responsibility of imparting co-operative education remained exclusively with the Government until recently, when a Co-operative Union has been organised in the month of

July 1948. Now the Government undertake the responsibility of training the departmental candidates in Co-operation and allied subjects such as accountancy, banking and book-keeping for efficient discharge of their official duties in the matter of audit, inspection and administration. Since 1939 the scheme for co-operative training and education was being financed out of some grant sanctioned by the Government of India. This system continued till 1946, when the Provincial Government formulated a Post-War Development Scheme, providing adequate finance for co-operative training and education. Thus since March 1947 the scheme is being financed entirely out of the provincial revenue under post-war schemes. During the year 1947-48 only one class for training of junior co-operative inspectors was held for a term of 9 months, from September 1947 to May 1948, with 42 candidates, out of whom only 50 per cent came out successful. After that, another batch of 37 junior inspectors was put to training. Besides this co-operative institute, which provides courses of training to departmental candidates, the Government appointed some inspectors to conduct a travelling course for educating the *punches* and office-bearers of the rural co-operative societies. But this scheme could not meet with much success.

The Orissa Co-operative Union, since its organisation in July 1948, has taken up the publication of two quarterly co-operative journals one in Oriya, the Provincial language, with the name "The Kalyani" (bestower of benefits) and the other in English with the name "The Orissa Co-operative Journal." This Union is organised with two classes of members, co-operative societies and individuals interested in Co-operation. The annual subscription of each of these quarterlies has been kept as low as Rs. 4 per annum. But to members it is supplied at a concessional rate of Rs. 3 each. The Union also proposes to conduct lecture tours through non-official co-operators by providing them with actual touring expenses and to publish co-operative literature. The Provincial Government encouraged the Union with some substantial grant as subsidy to meet the cost of its establishment and other expenses. The Union has also various ways and means under contemplation to broadcast co-operative education among the general mass.

To give the youth a chance of having practical experience in co-operative movement, the Director of Public Instruction has issued a circular to all the educational institutions of the province to organise students' co-operative stores. Such co-operative stores have been organised in large numbers in almost all the high schools and colleges in the province, thus providing a field for practical education on Co-operation to students.

The Government have also approved a scheme for running a summer school on Co-operation* during the ensuing summer season with the object

*A short note on the Summer School is printed on p. 327 in this issue.

of giving necessary training to the people interested in Co operation, who want to organise various kinds of societies in their locality. It is proposed to train at least 100 persons every year. It has been provided in the scheme to give stipend to those who will join the Summer School on Co-operation, which will run for about a month and to give honoraria and travelling allowances to the lecturers, both officials and non-officials, who will be invited to address the trainees. It is expected that the summer school will go a great way in spreading co-operative education among the mass through these non-official trained persons.

Besides all these arrangements for propagating co-operative education, the co-operative officials during the course of their tour also give lectures on Co-operation. Conferences and exhibitions are arranged at times to impart indirect education on Co-operation to the mass.

It must be admitted that what has been done so far in this direction, is just a beginning and it requires much more expansion to have tangible results, as there can be no two opinions that the success of the co-operative movement depends on an effective spread of co-operative education. As economic equity and stability of the future democracy depend on the successful adoption of the principle of Co-operation in all business enterprises, it is desirable that there should be a regular course on Co-operation included in the syllabus of schools and colleges, as rightly remarked by an eminent Co-operator of America Mr. Joy Elmer Morgan, Editor of the *Journal of the National Education Association* : "Co-operation is the way in which democracy can best fulfil its ultimate destiny. When studied and practised in the school, the co-operative movement gives young people a new life and a sense of responsibility for their own destinies. The co-operative movement is the most powerful form of education for both children and adults. People learn by doing; they develop faith in themselves and in each other".

Let us therefore hope that apart from what the Co-operative Department or the co-operative institutions do for the spread of co-operative education, let the Education Department also take up the question in right earnest and provide Co-operation as a principal subject in the curricula of studies in all educational institutions, beginning from primary school up to specialised courses in colleges. Then and then only, the future generation will be able to get the real benefit of Co-operation.

CO-OPERATIVE EDUCATION IN THE UNITED PROVINCES

By

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It is a truism that the co-operative movement has not had a successful career in the U.P. Still we cannot do without it on account of its proved efficiency to solve many of our problems. We should, however, know the reason why we have not been able to take full advantage of such a beneficial movement. To our mind, it is largely due to our neglect of proper co-operative education. The lack of adequate and right type of education leads to dearth of persons thoroughly conversant with the principles and practice of Co-operation; and in the absence of experts, who may guide and develop the movement, success is bound to be held up. This is more so when the co-operators have to work among illiterate and conservative people.

The aim of co-operative education should be three-fold: Firstly, it should prepare the back ground for the development of Co-operation by imparting instructions in fundamental principles and objects of Co-operation to the younger generation. In other words, it should prepare the youths who may later on actively participate in the co-operative movement with interest and sincere devotion and imbibe the true spirit of Co-operation. Secondly, co-operative education should afford ample opportunity for practical training into the working of various types of co-operative societies for those who are entrusted with the task of running them. Thirdly, co-operative education should establish contact between all concerned, make an appraisal of the whole co-operative movement and provide scope for expression and exchange of views in the form of fair, frank and constructive criticism of the movement.

The first object of co-operative education can be achieved through a regular course of study at different stages of general education. A short course dealing with the meaning, need, importance, growth and basic principles of Co-operation may be introduced at the secondary stage. The existing syllabus of secondary education is under revision and so this important change can be easily introduced. The advanced study of Co-operation is already included in the syllabus prescribed by different universities of the province for students preparing for their examinations. In this connection, I am of the opinion that we can familiarise even our children at the primary stage with Co-operation through short lessons and stories relating to the benefits of Co-operation and sketches of well-known co-operators. But that is not all. We may establish separate co-operative centres or research institutes for conducting a graded course of study for three to five years. Degrees in Co-operation should be granted due recognition in the appointment of co-operative staff. There are at present no

such institutes in the province. The establishment of at least one centre is highly desirable. This may be the nucleus for starting an institute to conduct research into advanced problems of Co-operation at a later stage, when more centres will have been opened in the province and sufficient advance made by the movement.

Theoretical education alone cannot serve our purpose; it should be supplemented by practical training, which we consider almost essential for all those who have to conduct the movement. At present there is reported to be only one training centre in the whole province and probably provision is made for the training of only Inspectors, Auditors and Supervisors. This I consider to be quite inadequate. I think we have to be very careful in matters of appointment of all superior and inferior officers on whose shoulders falls the burden of the co-operative organisation. They must possess the requisite qualifications of a true co-operator—in theory as well as practice—so that they may not waste time in picking up the work of co-operative societies. In fact, Co-operation is a technical subject, which needs thorough understanding of its fundamental principles and working. Therefore, it would be wrong to suppose that any civilian or administrator can do justice when asked to guide this movement. There should be a regular course of training for all persons including secretaries, punches and members of the co-operative societies. The object of such training should be:

- (a) to give practical knowledge of the subject to the new entrants—and
- (b) to revive the theoretical knowledge of the subject in case of older staff a sort of refresher course.

This should form a permanent feature of our educational programme in Co-operation.

The third aspect of co-operative education is also very important. It implies field propaganda and publicity to mobilize public opinion. This object can be achieved by various methods such as:

- (i) Meetings and Conferences of those interested in the movement;
- (ii) Lectures and Debates for discussing different aspects and to inform the public on the activities of the movement;
- (iii) more appealing methods of instruction through cinema, drama, songs, exhibitions, fairs and shows;
- (iv) display of teachings of Co-operation by means of pictorial journals, posters, charts and diagrams;
- (v) publication of annual or quarterly reports, books, periodicals, symposiums, booklets and pamphlets.

At present, there is only casual issue of literature dealing with the activities of the co-operative movement, and other methods of field

campaign are liberally employed by the publicity section of the Co-operative Department. Besides, there are two regular publications viz. the Annual Report and the Quarterly U. P. Co-operative Journal. The former gives a summary of the annual achievements closely related to its past and is supported by factual data. The Journal is issued by the Co-operative Union and is edited by an official of the Department. It includes notes, orders and circulars of the Department and a few articles. It appears there is very little scope for contributors from outside the Department. This is clear from the fact that the July, and October 1948 issues of the Journal could give a space of only about 20 out of 215 pages for non-official contributions. There is great need for independent journals to pool together the right views of all persons for making a joint and concerted effort to focus the attention of the public at large that Co-operation alone can solve their manifold problems, social and economic and at the same time provide a corrective and constructive medium for the right direction of the co-operative movement.

Finally, we may add that such diffusion of knowledge should be regular and permanent, both in rural and urban areas, on a planned basis. The difficulties of publicity through the press can be rightly anticipated in the face of mass illiteracy; and, therefore, the platform and visual campaign may precede it, till we have improved our educational standard. We should not decry the potentialities of co-operative education, if there is a paucity of funds. We may remember—it is an investment—it will more than compensate for the expenditure by helping us in building up a strong Co-operative Commonwealth of good citizens, which will be our Nation's pride.

I. L. O. COMMITTEE ON CO-OPERATION

Dewan Bahadur Professor H. L. Kaji, President, All India Co-operative Associations, has been appointed Member of the Committee on Co-operation of the International Labour Office, Geneva for a period of three years. The first Meeting of the Committee is likely to be held in June 1949.

CO-OPERATIVE EDUCATION FOR FIELD DEVELOPMENT WORKERS IN UNITED PROVINCES

By

N. S. MANI, M.A.

An independent new India marching forward in long strides must have a new educational policy. This is equally applicable to co-operative education and training in the country.

The distinct feature of co-operative education is not only improvement in technical efficiency, but the cultivation of a new outlook on life. In the case of education for engineers, for instance, the emphasis is on improved technical efficiency, because by itself the science of engineering has no distinct social philosophy of its own. But in the case of co-operative education, its social philosophy is of supreme importance and this aspect of co-operative education is very well pointed out by that doyen of Indian Co-operation, the late Mr. Ramadas Pantulu: "It is true that we have been improving our books and forms and training our employees to keep them correctly and handle them efficiently. Is this all co-operative education? It may be education to enable employees of co-operative societies to discharge their routine duties of collection, distribution, book-keeping, remittance, inspection and audit like the employees of any other business concern. Will this education help to produce co-operators, whose daily activities are pervaded by that idealism and ideology associated with Co-operation, and behind whose work there is not merely the stimulus of the coin but of that exalted sense of duty which ought to animate and inspire a genuine co-operator?"

It is refreshing to note that the report of the committee appointed for organising Regional Centres for Field Development Workers, is based upon the need for consciously cultivating a co-operative outlook, besides improved technical training, for the field workers in U.P. The committee has emphatically stated: "the most important feature of the training will of course be the creation of the necessary mental outlook for such work and methods of approach in tackling the village problems."

"The committee is of opinion that the change in the outlook of the Field Development Workers is of primary importance, for it is the lack of right approach to the village problems, as also a want of inclination and spirit to look upon things in their right perspective that had spelled failure in the past. Unless our workers change their way of living in such a manner as to fit in the existing society, unless they cultivate the habit of regarding themselves as one of the villagers and unless they learn to respect their customs, traditions and ways of life, they cannot hope to become real village workers. Hence the main purpose of the training should be the change in the outlook on which all other essentials would depend. But such a change presupposes a change of environment, a

change in the way of living and a change in the feeling and being, which in its turn depends so largely on the right selection of teachers and the selection of institutions where such training can be imparted."

A serious defect of the increasing urbanisation and industrialisation of our nation has been the denudation of the villages of leadership. Men with initiative and organising capacity have been lured away by better prospects and greater amenities in the cities and industrial centres. This absence in rural leadership is the main cause for the present woeful condition of our village economy and social conditions. Even a very well trained army collapses in the absence of leadership. Success in rural welfare lies more in training men for rural leadership than in improving their technical and administrative efficiency. "If the sea has lost its salt, where-with can it be salted?"

A striking feature of the report is the emphasis given to environment. "In the absence of proper atmosphere and environment, good schemes do not yield the expected results. Wrong environment is positively harmful. Excellent schemes of co-operative education and training have got dried up in the desert sands of wrong environment of cities and towns. India still lives in villages and Co-operation is to be the mighty instrument of rural welfare."

Rightly the Sevapuri Ashram, Benares, Mahoba Nandan Ashram, Gorakhpur, Sew Kunj, Ganga Ghat, Unnao, Asafpuri, Badaun, Ghatera, Saharanpur, Dohri Ghat, Azamgarh are chosen as the training centres.

The curriculum and the syllabus appended to the report are comprehensive and may be said to be even a bit ambitious; for the term of training is just a period of two months for the existing supervisors and a period of 3 months for the secretaries of the block unions. A period of two years proposed for the intensive training of the selected secretaries with a view to secure all round field development to workers is quite adequate.

Planning must not fall too short of performance for it will damp further planning. It must be confessed that it is an oriental weakness to start with ambitious schemes and end in peurile results. The villager is essentially a pragmatist: for him facts alone count for he deals with the hard realities of nature. He can be convinced only by results and never by abstract philosophies, especially in a sphere where results alone matter. The well trained leader of villages must conclusively demonstrate to him that he can grow two blades of grass where only one grew before and that he can increase the milk yield of the cow and the butter contents of the milk.

It is with this hope that the training scheme of the committee is welcomed.

CO-OPERATIVE EDUCATION IN WEST BENGAL

BY

PROF. SANAT KUMAR CHATTERJEE

The aim of all education in general and co-operative education in particular is to produce the 'real' man, sturdy, bold, firm, self-reliant and independent with the broadest sympathy for his brethren and the holy motto 'Each for all and all for each' always in the forefront of his mind.

Such education—such building up of national character can only be efficiently done by an independent non-official agency of co-operators freely elected from the mass of workers on a definite basis. If that be done each one of us will realise that he is an integral part of the big machinery destined to raise the mental and moral character of his nation. A free untrammelled election is likely to turn out the best and most efficient agency suitable to national ideals and national requirements. This agency, so elected, should have sufficient financial help from the State (these educational institutions are not business concerns and cannot be self-supporting).

Unfortunately in our West Bengal, we have no non-official agency. The time old institution, with a long tradition behind it *viz.*, the Bengal Co-operative Organisation Society, Limited, which subsequently developed into the Bengal Co-operative Alliance, Limited, has been stifled. The two journals *viz.*, the *Bengal Co-operative Journal* (in English) and the *Bhandar* (in Bengali) have been discontinued. These papers ventilated the opinion of non-officials and had ventured to criticise the various official acts. It was closed at the instance of the Registrar. Its only big creditor the then Bengal Provincial Co-operative Bank, Limited, through its chairman Mr. W. C. Wordsworth, C.I.E., M.L.A., preferred an appeal to the Provincial Government against the order of the Registrar for winding up the Bengal Co-operative Alliance, Limited, but the Government refused to interfere.

The fine press of the Bengal Co-operative Alliance with its stocks, I understand, has been sold recently without any public advertisement at the instance of the present West Bengal Provincial Co-operative Bank to the newly registered West Bengal Co-operative Press, Limited, with a body of nominated directors most of whom are directors of the present Provincial Co-operative Bank or connected therewith and thus the final seal was put to the closure of the only non-official agency who could reasonably aspire that the subject of co-operative education and training should be entrusted to them. It was their aim to get this control for years but it could not materialise as stated above.

We have in West Bengal no non-official platform of co-operative workers—no non-official training ground and the only training institute we have got is under Government ægis which as I shall point out is naturally confined to a limited few with a narrow outlook moving within a fixed

groove, but unfortunately due to lack of popular co-operation, the primary object, which I have formulated above, is lost sight of and can never be attained until the system be totally overhauled.

The Bengal Co-operative Training Institute was started in the year 1937 on the recommendation of Sir Malcolm Darling. The cost for the first five years was borne by the Government of India on the condition that the Government of Bengal would arrange for meeting the cost of its permanent retention after that period. The Institute was under an officer in charge with eight instructors under him. The function of the Institute was mainly to train the officers of the Department and also the new entrants and the paid Secretaries, Managers and the Supervisors of the central banks and other important societies and thereafter to hold Refresher Courses once every year for the officers of the Department already trained.

Along with the Central Institute five peripatetic units, each consisting of one Government Inspector and one Government Auditor were also maintained for the then five administrative divisions whose duties were to hold conferences, attend exhibitions and propagate co-operative principles and ideas amongst the members of the village societies and to hold Refresher Courses for the Supervisors of the central banks.

The training Institute was originally housed at Dum Dum, about 4 miles from Central Calcutta. It was shifted temporarily to Naogaon in the District of Rajshahi during the period from 1942 to 1946 as a war emergency measure. It is at present located in Konnagar, about 9 miles from Calcutta in the spacious premises of the Royal Air Force Camp.

The peripatetic units have been reduced to two after the partition of Bengal. One such unit comprising one Inspector and one Auditor is working in the Burdwan Division, while the other is meant for Presidency and other Districts of West Bengal. The entire Institute is in the charge of a Senior Inspector of Co-operative Societies.

It is reported that up till now almost all the departmental officers have received their training with the exception of about 15 Industrial Supervisors, 7 Weaving Experts, 5 Irrigation Supervisors and 5 Assistant Auditors. About 100 to 120 Supervisors of the central co-operative banks are reported to have got trained.

The present arrangement of training in the Institute is to hold one session of Supervisors for a period of 4½ months side by side with a Refresher Course for a period of 8 weeks each of the already trained departmental officers and this continues all the year around.

There are 8 papers on eight theoretical subjects, each carrying 100 marks:

1. Co-operation—I (Co-operative theory and principles).
2. Co-operation—II (Co-operation—Practice and Procedure).
3. Auditing;
4. Accounts;
5. Economics;
6. Banking;
7. Co-operative Act and Rules;
- and 8. General Law and also a practical course.

A few years back a Committee was formed for revision of the syllabus which included Professor Sadique, Mr. G. Basu, Incorporated Accountant and the present writer. We added the practical course to the syllabus. The practical portion consists of :

1. Valuation Records—100 marks.
2. Oral examination on the same and *viva voce*—50 marks.
3. Oral test on general knowledge—50 marks.

The nature of practical course will appear from the syllabus set out below :

Syllabus for the field training: During the field training a candidate will : (i) inspect a Central Bank and prepare an Inspection Note on the lines of the quarterly inspection, (2) inspect a village credit society and prepare an Inspection Note thereon; (3) inspect an urban bank and prepare an Inspection Note thereon; (4) inspect a special type society and prepare an Inspection Note thereon; (5) audit a village society and draw up an audit note; (6) conduct running audit of the accounts of a Central Bank covering one full quarter (3 months) and draw up an audit note with a balance sheet, cash account and profit and loss account; (7) conduct an enquiry under Section 85 (1) of the Co-operative Societies Act (1912) corresponding to Section 84 of the Bengal Co-operative Societies Act (XIX) in the case of village credit society and draw up a report; and (8) prepare a report of the proceedings of a village credit society under liquidation and to draw up organisation papers of rural society.

The progress of the actual work done in the Institute is set out below :

Information regarding training of different classes of officers during the last three years (from 1st April to 31st March.)

Class of officers.		Number trained			Number refreshed.		
		1945-46	1946-47	1947-48	1945-46	1946-47	1947-48
1 Inspectors	...	14	No recruitment in 1946-47 and 1947-48		No figures available the files have been taken to East Bengal.		10
2 Auditors	...	16					11
3 Assistant Auditors	...	3					10
4 Reorganisation Auditors	}	...	See item 7 below				7
5 Reorganisation Inspectors							8
6 Supervisors	...	31	29	33			
7 Ex-servicemen appointed as reorganisation auditors and inspectors under Hood Scheme	...	34	14				
Total	...	98	43	33	...	...	46

Activities of the peripatetic units: each consisting of one Inspector Instructor and one Auditor Instructor :

1. Number of conferences and propaganda meetings—23.
2. Number of Supervisors' refresher classes—56 (5 supervisors on an average in each class total being $56 \times 5 = 280$ supervisors).
3. Number of classes for secretaries and panchayats of societies—65 (10 students attending on an average: total $65 \times 10 = 650$ society members).

Average annual cost of maintenance of the co-operative training and education of West Bengal—Rs. 65,000.

I have set out above the present position of the Co-operative Training Institute. I am indebted to Mr. P. N. Majumdar, Personal Assistant to the Registrar of Co-operative Societies for supplying me with these informations.

The Institute is, as I have already stated, a purely official concern and non-official co-operators have no control over the nature and character of co-operative education in the province. Besides, audit and inspection of the co-operative institutions of this province are still under the same officer viz., the Assistant Registrar.

In spite of the definite recommendations of the Post-War Reconstruction Committee, on which I had the opportunity to serve, neither the Government nor the Department had taken any steps towards the separation of these two essential parts of the co-operative structure. The fundamental training and outlook of those in charge of audit—the position of a judge—is quite different from those of the Inspectors and Organisers. This has not been appreciated nor followed.

There should be a system of special training classes under an independent body for those who would be responsible for audit, and their pay and promotion should not be dependent on those officers who are in charge of the normal working of the co-operative institution. I go so far as to say that even the Registrar should have nothing to do with audit, which is sacrosanct, and should be entrusted to persons educated and trained in a different atmosphere.

The education of the mass of the people is absolutely dependent on popular sympathy, and support. This can only be done if they realise that this great movement is really their own. So long as the people feel that in ultimate analysis it is a purely official managed institution it can never evoke sympathy and enthusiasm.

CO-OPERATIVE EDUCATION IN CENTRAL PROVINCES AND BERAR

By

R. L. GARGAVA, B. A. (Hons.),
Assistant Registrar, Co-operative Education, Nagpur.

The co-operative movement was introduced in this province in the year 1904. At the end of the last co-operative year *i.e.* on the 30th June 1948, there were in the province in all 7,585 different types of co-operative societies including central banks, land mortgage banks, primary credit societies, multipurpose co-operative societies, consumers' stores in rural and urban areas, women's and industrial co-operative societies, fisheries and dairy co-operative societies, and divisional co-operative institutes, etc. With the growth of the movement, a need was felt to educate the members of the co-operative societies in the basic principles, meaning, practice and advantages of Co-operation and, thereby, to develop in them a keen desire, and necessary moral and business capacity to efficiently manage the affairs of their societies on democratic lines. The work of co-operative education is being carried on through both non-official and official agencies.

The subject of co-operative education was brought into prominence by the Royal Commission on Agriculture (1928). The Central Provinces and Berar Co-operative Federation Congress of 1928, recognized the immediate need of the co-operative education and training and while accepting the recommendations of the Commission in toto appointed a sub-committee for drawing up a detailed scheme for giving effect to it, immediately in the banks in the Central Provinces. The Berar Co-operative Institute drew up a scheme in 1928-29 in consultation with the Registrar.

The salient features of the scheme were:—(i) Creation of a Central Board for each institute area which will be responsible for making proper and adequate provision for the education and supervision of societies. (ii) Empowering such a Central Board for employing and controlling the field staff necessary for the purpose in each central bank. (iii) Control of the field staff of the bank through the local supervision committee formed for the purpose in each central bank. (iv) Entrusting the work of financing to the working committee of the bank. These recommendations were accepted by the Federation Congress in 1929. The Provincial Government also accepted the recommendations and gave a legal recognition to them in 1930 by framing new "Rules under section 48 (I) of the Co-operative Societies Act II of 1912 for the better education and closer supervision of societies". To work out the scheme, grants were made by the Government and the scheme was first given a trial in Berar and Chhattisgarh Institutes and later in other institute areas. Group officers were appointed and training classes for rural directors of the central banks and members of the primary co-operative societies were held at different times and places for educating them in co-operative principles and accounts. By the close of the year 1935, the total number of persons trained was 1,508 in 398

societies. Some of the trained members started writing accounts of the societies. The scheme brought general awakening among the members of the primary societies. In 1933, the Federation Congress again appointed a sub-committee to review the scheme. This sub-committee suggested some minor improvements but did not make any basic change in system of co-operative education and training. The same system is continuing.

At present five Divisional Co-operative Institutes one each at Nagpur, Amraoti, Raipur, Jabulpore and Chhindwara are working in the provinces. The duties assigned to these institutes are, (i) To train workers in co-operative movement, (ii) To educate the members of the co-operative societies, (iii) To act as co-ordinating agencies, in matters pertaining to co-operative education, (iv) To function as a focussing centre of non-official opinion on various subjects affecting the movement, and (v) To carry on propaganda of the movement by publishing books, leaflets, journals, and circulating magazines. Each of the above five Institutes has got one central board, consisting of six members,—two representatives of the central banks in the area, two representatives from the registered societies, which are members of such central banks, Registrar or his nominee and the President of the Institute. The Central Board does the work of education and propaganda, in its area of operation through the local supervision and education committee and the educational staff attached to the bank. The local supervision committee consists of two representatives of the directors other than those in the managing committee of the central bank, one of the central bank's representative in the Institute, Chairman or Vice-Chairman of the bank, one of the honorary secretaries of the bank and Registrar or his nominee. The field staff is composed of group officers who are officials of comparatively higher status and better qualification, not below Matriculation standard and assistant group officers, who form a subordinate cadre. A group officer is placed in charge of the actual work of education and supervision of a group of 50 societies in Central Provinces and 80 societies in Berar. He is expected to make such personal contact with the members of the society as would induce and equip them for managing their affairs. For this work, he tours a great deal in his area. The assistant group officer assists the group officer and also does the work of writing accounts. Wherever desired by the local supervision committee, Government circle auditors act as chief group officers, for supervision over the group officers and assistant group officers. Both these officers attend training classes, held by the Department for their training in the co-operative principles and accounting. They are granted certificates after they pass the examination. Failure to obtain a certificate within a reasonable time, makes the official liable to be removed from service unless by reason of substantial experience, or advanced age, exemption is granted by the Registrar. As the qualifications of these officers are different, different scales of pay are sanctioned. The income of these Institutes is derived from three sources, *viz.*, (1) contribution at a specified rate from banks either on the loans outstanding against the societies or on the working capital, (2) annual subscription of rupee one

per member of a primary society (8) government grants. Expenditure over the field staff consisting of the group officers and assistant group officers is met from the income derived from the above three sources.

Though the results of the system have not come up to expectations due to certain adverse factors, such as depression leading to heavy overdues, lack of sufficient interest on the part of the members of societies, it has been generally agreed that there is nothing inherently defective in it. It has generally improved the movement and has helped in infusing new life and new hopes in the members. It can still further improve the tone of the movement provided necessary steps are taken to increase the efficiency of the Institutes. It is noteworthy that the Government of the Central Provinces and Berar have taken the right step in the matter by increasing the Government grant to the Institutes by nearly five times, that is, from Rs. 32,389 for 1948-49 to Rs. 1,65,000 for the year 1949-50 thus providing a good opportunity to the honorary workers associated with the Institutes to work the system of education and supervision more efficiently and effectively. For the success of the system it is necessary to ensure harmonious working between its different component parts.

The training of the officials of the Department and various other types of the co-operative societies in the province is being done by the departmental educational staff under the scheme of education and training of co-operative staff, and the members of primary societies which was introduced in the year 1936 and for the initial period of 5½ years financed out of the Government of India grant. The scheme was thereafter taken over permanently by the Provincial Government. As provided therein one educational inspector and three assistant educational inspectors were appointed by the Department and were sent to the Punjab for special training before they took up their duties. They attended the inspectors training class at Gurdaspur for three months and toured for one month in the interior to gain practical experience of the working of the movement. During their stay in the Punjab, they visited credit and non-credit institutions with a view to study the method of imparting education to the members of societies. In the light of experience gained by them a programme of work in this province was drawn up. Training classes are arranged every year by them for training the departmental staff and also the members of primary credit societies. The training classes for circle auditors, society auditors, managers of central banks and land mortgage banks, accountants and assistant accountants, of central and land mortgage banks group officers and society inspectors, are being organised every year at Nagpur for varying periods from July to December and those for the members of credit and non-credit societies, are being organized at different places in the province during the latter half of the year. Till 1946 these classes were being conducted by one educational inspector, and three assistant educational inspectors. From August 1946 one more post of an assistant educational inspector was sanctioned by the Government and the

post of the educational inspector was converted into a Gazetted post changing the designation to that of the Assistant Registrar for co-operative education and propaganda. This was necessary to cope with the increasing demand for co-operative education and training all over the province and consequential increase in the responsibilities of the post. At present there are eight assistant educational inspectors and one Assistant Registrar for carrying on co-operative education, training, propaganda, and publicity. The co-operative educational section now forms a permanent feature of the Co-operative Department. Besides the work of holding the training classes, the educational staff also undertake the work of writing pamphlets and articles in local languages on Co operation and allied subjects, and help the general public in having a correct idea as to what Co-operation really is and what it can do for the masses. The educational section of the Co-operative Department is also expected to work in future as an information bureau for the co-operative movement.

In the co-operative year 1947-48, the following work was done by the educational staff for the training of the staff of the Department and employees and honorary workers of the co-operative societies;

(a) the training classes for circle auditors, society auditors, managers of central banks and land mortgage banks, accountants and assistant accountants of central and land mortgage banks, group officers and society inspectors, were arranged at Nagpur for the period from July 1947 to December, 1947.

(b) From January 1948 till June 1948, 18 classes were conducted at the district and tahsil headquarters in the province for training the personnel of the non-credit societies;

(c) The educational staff was also busy in attending the cattle shows and exhibitions held at different places in the province. Co-operative stalls were put up at these shows, and attractive posters and pictures on co-operative subjects were exhibited. Propaganda was also done with the help of the departmental propaganda van. The assistant educational inspectors also visited the social education camps, and delivered lectures on Co-operation.

Co-operative propaganda was also carried on through the rallies of co-operative societies which proved to be of great educative value. They awaken interest and revive faith in the co-operative movement. Though co-operative education, training and propaganda has considerably improved the tone of the movement, much more remains to be done.

CO-OPERATIVE EDUCATION IN MADRAS

By

RAO BAHADUR PROF. S. K. YEGNANARAYANA IYER

One of the wisest things that the famous Rochdale Pioneers did in organising business was to set apart a portion of the net profit for education and propaganda. They realised that even the most potent truth has to be brought to the people and will not spread of its own account. They therefore, naturally attached great importance to education and propaganda for the spread of the store movement which they started. They wanted to make the people co-operatively minded.

The Pioneers of the co-operative movement in India also realised the need for co-operative education before the movement could spread among the masses of the country. But they did not make specific financial arrangements for the purpose as the Rochdale Pioneers did. Whenever the co-operative movement was taken stock of by a Commission or a Committee the need for co-operative education was always stressed. MacLagan Committee, Banking Inquiry Committees both Central and Provincial and the Royal Commission on Agriculture, all emphasised the importance of co-operative education and training. The Townsend Committee and recently the Vijayaraghavacharya Committee which took stock of the movement in our province did the same; "That there is need, therefore, for intensive co-operative education and training for all ranks of co-operative workers, paid and honorary, 'as units in the co-operative army able to work intelligently, individually and in groups, for the realization of co-operative ideals' is admitted. We feel that the various piecemeal arrangements made from time to time should be superseded by a scheme planned as a whole."

It may not be out of place if we stress the fact that the ultimate responsibility in the matter of co-operative education rests with the Government. The movement itself is somewhat of exotic in our country being superimposed on our people by a foreign Government. Even though the foreign nature of the Government is gone and India has attained independence, still some of the inherent defects of the movement continue; one of them has been the tendency on the part of the people to look to the Government for rectifying all mistakes. We have to add that all the changes that have been brought about in the working of the movement as a result of inquiries and legislative enactments consequent on them have always tended to strengthen the departmental powers and to weaken the popular nature of the movement. The ideal with which the movement was started was to deofficialise it completely after a time; but this ideal has been fading. The Government therefore have to make adequate provision for financing any scheme of education and training though they may seek the help of non-official bodies for carrying out the scheme.

Let us examine the nature of co-operative education and training that has to be given. In the first place, Co-operation being a popular movement the people at large have to be made co-operatively minded. There must be some popular method of bringing Co-operation within the range of easy understanding of every citizen who in the near future would be entrusted with the additional responsibility of exercising his vote. Secondly, boys and girls in schools and colleges who are to become the citizens of to-morrow have to be given some more intimate knowledge about Co-operation. This can be done either by certain lessons on Co-operation being incorporated in their text books or by choosing some popular books on Co-operation for being prescribed for non-detailed study. Thirdly, members of co-operative societies, urban and rural, who form the very basis of the movement ought to know their rights and responsibilities and they must be educated regarding that. Otherwise the movement will not have a healthy growth. Fourthly, those who run the movement as clerks, accountants, supervisors, etc., have to be given an intensive training in the general principles of Co-operation together with some knowledge of accounting, auditing, etc., and this kind of specialised training has to be of different grades according as the persons concerned are to occupy—low, middle or high places—in the movement and according as the institutions they handle—small or big.

Having discussed the need for co-operative education in a general way let us turn to what has already been done in the matter of imparting such training. We have to admit the sad fact that the lack of literacy on the part of the masses has been a serious handicap in the matter of spreading co-operative education. The Madras Government subsidises the Provincial Co-operative Union for running a short course of Panchayatdars' Training Classes which was discontinued for two years and which is again being revived this year. In the earlier days, before a co-operative society was started in rural or urban areas the officers of the Department or supervisors of the Unions used to do some propaganda in the areas selected with a view to make the people understand the fundamental principles of the institution which they were going to form and work. But this was of a very perfunctory nature. It has been said that some over-enthusiastic inspectors used to tell the villagers "put one rupee as your share capital and you will get a loan of fifty rupees," which as rules stand is a fact. But the more important fact of unlimited liability which alone made one rupee share capital earn a loan of fifty rupees was not explained at all and in a few cases where debtors defaulted and the unlimited liability had to be enforced the original members had the surprise of their life.

Government also help in a way in the running of training institutes by the Provincial Co-operative Union. These institutes form the main portion of the structure of the co-operative training. There were six institutes to start with at Tanjore, Coimbatore and Vellore in the Tamil districts; and Rajahmundry, Bezwada and Anantapur for the Andhra area. But in course of time the institutes at Vellore and Bezwada were abolished and later on there were only two peripatetic institutes over and above the training

institute which the Government ran for its own subordinates. All these facts go to show that there was no one definite consistent policy pursued by the Government in the matter of co-operative education and the help they gave varied from time to time.

Let us take a bird's eye view of co-operative education as it is to-day in our province. The Government and the Madras Provincial Co-operative Union are the two most important agencies engaged in this work. The Government runs a training institute for its recruits to the Department. The recruits are selected by the Public Service Commission, but they are given a training after which they are expected to pass an examination.

The Government also conducts examinations on Co-operation and allied subjects in its scheme of technical examinations conducted by the Commissioner for Government Technical Examinations. The Government also deutes its officers now and then to foreign countries to get trained, and the knowledge they acquire becomes available to the movement. In former times the Government had it as a policy to make the person chosen to be the Registrar undergo a course of training. But this wholesome practice has been given up in recent times and we had at least two Registrars who came with a fresh and open mind to the Department. It is true that both of them have done well as Registrars; but perhaps they would have done better if they had training as well.

The University of Madras interests itself in co-operative education only in a slight way. In the B. Com. (pass) and B. Com. (Hons.) Co-operation forms one of the subjects which the candidates have to study. I believe the same is the case with the Andhra University as well.

The Provincial Co-operative Union, the apex non-official organisation for the whole province; has been doing its best for Co-operation all these years. About 25 years ago its then president Rao Bahadur A. Vedachala Iyer who had just retired from service as Registrar started a course of training spread over a few weeks and conducted by prominent non-official co-operators who gave lectures on chosen subjects. But later on under the auspices of the Provincial Co-operative Union training institutes were started and though as stated earlier its number has been varying, four continue to live and impart co-operative training for supervisors and accountants of banks and other important societies. They are at Rajahmundry, Anantapur for the Andhra area and at Tanjore and Coimbatore for the Tamil districts. The linguistic areas of Malabar and South Kanara had hitherto to be contented with sending their candidates for training to the nearest training centre viz., Coimbatore. This was possible so long as English was the medium of instruction. With the growing tendency to substitute the regional language as the medium of instruction Coimbatore can no longer help the adjoining areas of Malabar and South Kanara. Therefore a training centre has now been opened in Malabar and perhaps in course of time another may have to be started in South Kanara. The Provincial Co-operative Union makes a small token grant to these institutes

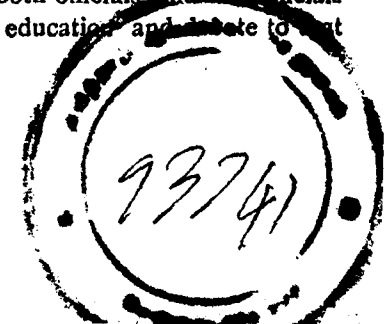
which depend for their maintenance on the fees received and the grant from the Government who either depute their officers or pay the salaries of teachers who run the institutes. The Provincial Co-operative Union conducts examinations for all these institutes.

Therefore, in the matter of technical training there are only two agencies—the Government and the Madras Provincial Co-operative Union. The Government trains its inspectors and the Provincial Co-operative Union trains the large number of non-official employees. Formerly the trainees in the Government institute also took the Union examination. Now they have their own independent scheme of training. Popular training is still in a very rudimentary stage and the training of boys and girls in schools and colleges has not been tackled at all earnestly. They form a very promising field of recruitment. In schools and colleges not only can theoretical training be given, but facilities for practical knowledge can be afforded by co-operative stores being started for the supply of books and articles of stationery required by the students. In colleges also if not in schools extra facilities can be given by organising students' canteens which would get them into touch with the realities of the world and make them familar with buying and selling in the open market.

In recent times there has been some agitation for the starting of a special college on Co-operation and the Vijayaraghavacharya Committee has set its seal of approval on the scheme. But owing to the political vicissitudes through which our country has been passing the idea has not been implemented so far. In the meanwhile the idea of a college itself is losing its attraction to some co-operators.

The Vijayaraghavacharya Committee which has examined the scheme of co-operative education and has made concrete suggestions for a comprehensive programme will, it is hoped, have the honour of its recommendation being accepted and acted upon. The times are propitious. We have veteran co-operators in our provincial cabinet. On the non-official side Rashtrapathi Dr. B. Pattabhi Sitharamayya and the Congress General Secretary Sri Kala Venkatarao are both ardent workers and leaders of Co-operation. Under the joint inspiration from the Congress High Command and the Central Government, Co-operation is forging ahead as most of the institutions formed for the benefit of refugees are co-operative in character. We believe that Co-operation has got a great future before it; but in order that the movement may grow strong it should be founded on a strong basis and no foundation is so effective as the spread of co-operative education. It is hoped, therefore, that both officials and non-officials will realise the importance of co-operative education and devote to that great cause the attention it deserves.

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CO-OPERATIVE EDUCATION IN MYSORE

By

R. K. JAYATIRTHACHAR, B.A., LL. B.,

Co-operative education is a most vital factor and desideratum for the creation of the co-operative commonwealth that co-operators the world over dream of. But it has to be remembered that co-operative education is inextricably, or at any rate intimately, bound up with general education. A spread of general education is to a considerable extent, a great help to the spread of co-operative education, and it will not be wrong to say that the progress in co-operative education is in proportion to the progress in general education. The Chandrasekhara Iyer Committee have observed in their report "one of the serious handicaps to the successful working of the (co-operative) movement is the general ignorance of members, and the absence of trained men among office-bearers of societies. Most of the defects in the working of societies are due to the lack of elementary knowledge on the part of those entrusted with their management." This was in July 1936. Since then some headway has been made. The agency of the Co-operative Department does, no doubt, some work of education in a broad sense, but the Department has other aspects to look to, such as inspection and audit and this may not always take an educative form. The Mysore Co-operative Institute has done some work in this direction in the shape of conferences, training classes and through District Propaganda Officers.

Conferences :—A Provincial Co-operative Conference is being held annually for the last 37 years. This Conference till recently was being held in Mysore during the *Dasara* season. The delegates had before them the additional attraction of the *Dasara* festivities and the Maharaja's procession on the *Vijaya Dasami* day with its cavalcade of horses, elephants, the infantry the cavalry and the *Darbar* is in uniform. Now a departure has been made. In 1947, the Provincial Conference was held in Bangalore during the Christmas week. In 1948, one of the district head-quarter towns, Shimoga, took up the responsibility of holding the Provincial Conference. Apart from the Provincial Co-operative Conference there was hardly any other conference. The Central Institute in Bangalore was till very recently, practically alone without any branches. There are two Associations in Mysore City known as The Mysore Co-operative Federal Union and the Mysore Co-operative Staff Association which have done some good work. Barring these there have been no unions either. Small libraries have been formed in a few co-operative institutions. During last year, thanks to the efforts of the non-official co-operators and enthusiastic official support, branches of the Central Institute have been formed at all the district head-quarters towns and district conferences were held in all the districts. It is hoped that the District Branches will do some very useful work.

Study Classes :—In the earlier stages, some 'refresher courses', as they were called, were held at important places like Bangalore, Mysore and

Shimoga for the benefit of employees of co-operative societies and for those others who were willing to attend the classes. As nothing good (or bad, for that matter) will be without its effect, these refresher courses did produce some good results, but this activity was rather fitful and there was no regular periodicity about it. A regular course of studies was started in or about 1939 and instruction was given on four groups of subjects; viz., (1) Principles and Practice of Co-operation, (2) Co-operative law (3) Banking, Book-keeping and Accountancy, and (4) Elements of General Law. Wherever possible, free accommodation was given to students in need of the same. A stipend of Rs. 5 each was also given to some of the students. The following figures show the results—

Year	Centres.	No. of students that joined.	No. that sat for examination.	Number that passed.	No. of Scholarships.
1939	Bangalore & Mysore	..	51	17	21
1940	"	...	50	10	
1941	Bangalore & Shimoga	...	61	28	15
1942	Bangalore & Mandya	...	39	19	8
1943	Bangalore & Mysore	...	38	15	10
1948	Bangalore & Mandya	...	40	16	8

No classes were held during 1944 to 46; figures for 1947 are not known.

These classes were conducted by and under the auspices of the Institute. Several gentlemen who have been working in the Co-operative field and others outside the field did a lot of creditable service. All of them worked honorarily and with enthusiasm. Government gave a special grant for incidental expenses. The initial enthusiasm on the part of students, however, rarely continued to the last. As the figures show, the number that sat for the examination was never even 50 per cent of those that joined the classes. It is a fact to be recognised that very few join any class out of mere enthusiasm, and an attraction of a more practical nature has been almost always necessary. It is also to be admitted that persons who undergo this training have no special or attractive reward in the shape of a career. No doubt, the Institute and the Registrar of Co-operative Societies have circularised all the societies to the effect that in recruiting members of their staff, the societies should prefer those who have attended the training classes and passed the examination. In the nature of things, and considering the circumstances the circular is only of a recommendatory character and cannot be given full effect to. It is also to be noted that appointments in co-operative institutions are not lucrative or otherwise attractive. It is no wonder that the training classes have not been the success they ought to have been. In the words of that eminent co-operator Mr. Ramadas Pantulu, men require a touch of co-operative ideology and a higher urge to discharge their functions with an exalted sense of duty, and for them, the coin which is behind their work of daily routine may not alone provide the necessary healthy stimulus, but in the case of

the majority of paid employees of even co-operative institutions, the coin or its modern variant, currency, is certainly a stimulus. Recently the Provincial Co-operative Conference passed a resolution requesting the Institute to frame a set of rules for the guidance of societies in the matter of the conditions of service, leave, punishment, gratuity and provident fund and allied matters. A set of rules was framed and the same was adopted at the thirtieth Mysore Provincial Conference held under the Presidentship of Mushir-ul-Mulk J. Mahomed Imam in October 1948. Even these rules are recommendations only.

District Honorary Propaganda Officers:—The Institute has appointed District Honorary Propaganda Officers. These are persons who have been working in the co-operative field for a number of years. Many of them have done good work. Their function has been to advise and to guide primary societies in their day-to-day work and try to solve their problems as far as possible. Their work is quite honorary even in the sense that they are not allowed any expenses except one rupee per annum for postage expenses, which, I believe, no Propaganda Officer has drawn till now. In the nature of things, their work has been very much limited. I am glad to say that a fresh scheme is now being considered.

Journal:—The Institute is also publishing a monthly periodical in which useful articles, accounts and speeches appear. The journal is supplied to all member societies of the Institute and to those that subscribe.

Schools:—The Chandrasekhara Iyer Committee in their valuable report suggested the starting of a Central School with three courses (i) Elementary course for a period of six months intended for the subordinate clerical staff of societies, (ii) an Intermediate course for one year meant for those intending to be qualified as auditors of co-operative societies and officers of and above the grade of co-operative inspectors, and (iii) a Special course for one year for the higher officers of the Department and for those who after going through the intermediate course wish to specialise in the Theory of Economics, Co-operative and Joint-stock Banking, the Law of Companies, etc. But so far, this has remained a mere recommendation and neither the Institute nor Government have taken any action in this matter. In 1941, the Provincial Conference passed a resolution to the effect that Government be requested to direct that the training classes for Departmental Inspectors be also undertaken by the Institute. Government did not approve of the recommendation on the ground that it was not proper to combine the two classes. The problem has to be considered from a broad and nation-building stand-point. It is hoped that with the advent of popular Government this and other aspects of Co-operation will receive the attention they deserve, and the Institute and its branches will receive all the help required in pushing on the campaign of Co-operation.

CO-OPERATIVE EDUCATION IN HYDERABAD STATE

By

KHAJA GHOSUDDIN,

Deputy Registrar, Co-operative Societies, Hyderabad State.

The Central Co-operative Union is in charge of co-operative education. It was entrusted with the work of holding training classes for the employees of the Department and other candidates seeking employment. It has been conducting such classes annually and separate classes for the lower grade employees as well *viz.*, supervisors. Apart from this the Union had engaged more than half a dozen propagandists whose duty it was to tour in the villages and hold a training class for the secretaries and members of the managing committees of the agricultural credit societies. Such training classes were held for a fortnight in a central village where the candidates in the surrounding 8 or 10 villages attended and underwent training. In this manner secretaries of these societies were not only enabled to get a rudimentary knowledge of the principles of Co-operation but also got to know the system of maintaining the accounts of societies which they happened to be managing. Unfortunately since three years these posts of propagandists had to be abolished by the Central Co-operative Union pending sanction of the Propaganda Scheme submitted by it which envisages a more elaborate scheme for arranging such training classes. The scheme in question is pending sanction of Government and when sanctioned will be able to help the Union in arranging for a systematic training.

The officers' training classes have, however, continued as before and sufficient candidates needed for employment in the Department have been made available through such training. During all these years by arranging training of employees of the Department it has been possible to have the entire staff trained and it is at present manned by such as have already undergone training. In this manner the Department is able to maintain a standard of efficiency which would not have been possible otherwise.

Apart from such co-operative training, co-operative rallies are also held in the districts at suitable centres where propaganda and education is done by means of lectures, dialogues and practical demonstrations. Government has been giving an annual grant of Rs. 5,000 for the purpose of holding rallies and this grant is supplemented by contributions from the societies in the area where such rallies are proposed to be held on the basis of fifty-fifty so that in this manner these grants are available for a fairly large number of rallies annually.

THE SEVENTEENTH CONGRESS OF THE I. C. A.

SUMMARY OF THE PROCEEDINGS¹

The 17th Congress of the I. C. A. was held in Prague from the 27th to the 30th September, 1948, under the auspices of the Central Co-operative Council of Czechoslovakia. The Congress was presided over by Lord Rusholme, the President of the Alliance. The number of delegates represented at the Congress was 444 from 24 countries².

On behalf of the Central Committee of the International Co-operative Alliance, the President, Lord Rusholme, extended a very cordial welcome to the 17th Congress, which by its deliberations, as he trusted, would help to carry the co-operators of the world far towards their co-operative goal.

The President said that no one could regret more than he did the tense atmosphere which overhung the international situation to-day. Disputes between nations were bound to arise, but none, surely, was beyond settlement by conciliation and arbitration. He trusted all people, and especially co-operators, would be articulate on this matter, so that the world did not plunge into the abyss of war. That of course, demanded toleration, consideration for others and patience on all sides, and an increasing recognition that there is a brotherhood amongst the people of all nations. These qualities had been highly developed among co-operators and the co-operative movement. They were qualities which had to be displayed in the wider realm of international relations.

The President then touched upon the international difficulties which had appeared since the close of the war. It was true that deadlocks had emerged over certain political issues and that economic frustration had faced many peoples of many nations, but we could not ignore the positive achievements in other directions. The work of the United Nations in the economic and social field, involving international co-operation in quite a number of matters, was doing an enormous amount of good in breaking down the barriers which existed between nations. This constructive international work with which the Alliance was associated would prove invaluable in the future for those generations which were to come. The Congress should bear in mind that the world co-operative movement, with its century-old democratic foundations, was indeed an instrument making for peace and understanding. That the Congress met in Central Europe was itself significant in view of the divisions which had developed between governments in the east and governments in the west. "We co-operators are concerned that there shall be no divisions amongst us; there must be unity of purpose and unity of action, and this must be combined with a determination to strive for peace. If the Congress will approach those problems where differences of opinion are bound to arise, in the true co-operative spirit, it will certainly be able to find a solution to those problems which will be acceptable to all."

Report of the Central Committee on the Work of The I. C. A.

The President, Lord Rusholme, submitted the Report of the Central Committee for the two years since the Zurich Congress by a short speech. He wanted the delegates particularly to realise that the period covered by the Report was the unusual period for the Alliance of two years, and not, as had been customary, the period of three years. Moreover, those two years covered a period characterised by quite unprecedented economic difficulties and unexpected political friction.

¹ *Review of International Co-operation*, December, 1948.

² Austria, 7; Canada, 1; Denmark, 14; Britain, 73; India, 3; Poland, 45; U.S.A., 4; China, 3; Finland, 9; Greece, 2; Italy, 71; Roumania, 2; U. S. S. R., 26; Belgium, 19; Czechoslovakia, 44; France, 42; Holland, 4; Norway, 11; Sweden, 38; Yugoslavia, 3; Bulgaria, 2; Iceland, 2; Palestine, 3; Switzerland, 15.

He expressed the hope that the delegates would take an interest in the matters which were referred to in the Report, and would not hesitate to contribute their views on the matters dealt with therein.

In the Introduction to the Report, it is stated that the participation of the I. C. A. in the work of the United Nations was established and extended during the period covered by the Report. As the Organisation of the United Nations has developed, the close and logical ties between its work and that of the World Co-operative Movement have become more and more obvious. As to the work of the National Organisations, rich evidence is accumulating concerning the part which Co-operative Organisations in many countries are playing in the fight against inflation and high prices, and the Co-operative Organisation, with its flexible machinery, is seen clearly as the strong and sure defence of the people against unjust prices and profiteering.

The Membership of the I. C. A. has undergone some important changes since the last Congress. A number of new or reorganised Organisations have been admitted, and the total number has been considerably increased. Admission of new members has not only added 5 new countries to the territorial sphere of the I.C.A. but it has extended the representation of agricultural and other types of co-operative society, thus continuing the evolution of its constitution by which the I.C.A. ceases to be predominantly a Federation of consumers' co-operative societies, and is becoming more and more representative of every type of co-operative organisation.

According to the terms for 1946 except for new affiliations the I.C.A. through its national organisations, comprised some 4,36,000 co-operative societies, with an aggregate individual (family) membership of 102,000,000. The societies represent all the main types of co-operative organisation, consumer co-operative societies, workers' productive, labour and artisanal societies, agricultural co-operative societies, credit societies, building and housing societies. Co-operative insurance societies are not included in these statistics, because, for the most part, the insured are members of other types of co-operative societies. As a class they are represented in the I.C.A., by 21 societies, with over 21 million insured persons, individual and collective.

The Publications:— *The Review of International Co-operation* has appeared again in a French edition, in addition to the English, since January 1948. The English edition has at present a circulation of 1,680 copies, and the French edition of 900 copies. *The I.C.A. News Services* in their Co-operative and Economic editions, appear regularly, and as regular national press activities expand the material upon which they depend becomes more plentiful.

Economic Research as a particular section of the Secretariat has not yet been re-established, but is under consideration as part of the reorganisation plans.

Statistics of Affiliated Organisations for the period of 1938-46 have been collected and partly published in the *Review of International Co-operation*.

The Resolution of the Congress at Zurich to create a Centre for the study of International Co-operation, under the name of the "Henry J. May Foundation," was communicated to the affiliated organisations immediately following the Congress and they were invited to suggest measures for realising the desire of the Congress particularly as regards to place of the Centre and its endowment and maintenance. The Central Committee resolved:

1. That from now onwards all the educational activities of the I.C.A.—Schools, Conferences, &c.—shall be planned and carried out under the name of the Foundation.
2. That the Foundation shall be financed out of the General Funds of the I.C.A.
3. That as study centre the Foundation cannot function until suitable accommodation is available, that is to say, until the new Headquarters of the Alliance are decided.
4. That the scope of the work of the Foundation shall be in abeyance until an Educational Adviser has been appointed who shall be asked, in collaboration with the other principal officials, to draw up a plan for submission to the Executive.

The question of the date of *International Co-operative Day* has been the subject of an enquiry also including a request for information from national organisations concerning the extent of its celebration, and for any suggestions in order to improve its efficacy in promoting world peace. They were also asked for their opinion as to how to make the contribution of the I.C.A., more effective and whether they would in the future collaborate whole-heartedly to assure to the Festival its full significance.

The replies received to the Questionnaire from less than 20 organisations were submitted to the Central Committee at Avignon in May, 1947, when they also had before them a recommendation from the Executive that the present date of International Co-operative Day be maintained. A counter-proposal that the date should be changed to September was submitted to the vote, and received an equal number of votes with the proposal for the maintenance of the present date. Under these circumstances, according to the Standing Orders, the date remains unchanged.

An exhaustive report is given on the relations between the I.C.A. and the United Nations Organisations. *The Review of International Co-operation* has contained information regarding most of the contributions made to the work of the United Nations by the I.C.A. during the two years period since the Congress at Zurich, in the first place, the participation of the I.C.A. in the work of the U.N. Conferences on Trade and Employment in London, Geneva and Havana, the bringing of the Zurich Resolution on the international administration of the world's oil resources before the Economic and Social Council, and also participation of the I.C.A. in meetings and Conferences of the I.L.O., the F.A.O., UNESCO, the Economic Commission for Europe, the Coal Committee and Housing Committee of the E.C.E., the International Maritime Conference, the U.N. Conference on Freedom of Information and the United Nations Appeal for Children.

Information is given in the Report on the development of Co-operation in Germany, Austria and Italy. The G.E.C., German Co-operative Wholesale Society, Hamburg, was admitted to membership of the I.C.A. in May, 1948, as well as the two Central Organisations of the Italian Movement. The Austrian Central Union was admitted prior to the Zurich Congress.

In the period between the two world wars, the I. C. A. gave serious consideration to the possibilities and necessity of organising 'missionary propaganda' in countries where the movement was weak or where Co-operation was unknown. During the second world war, when much of the normal work of the Secretariat was curtailed, a study was made of the extent to which Co-operation has developed in the British Colonies. The I. C. A. was able actively to assist the British Government in its new Colonial policy after the war, in which the encouragement of Co-operation plays a prominent part. Other Governments are also considering the promotion of Co-operation in their Colonies.

In the light of the Report and information given to them from time to time by the Secretariat, the Central Committee decided to bring the question of the promotion of Co-operation before the Congress in Prague, both in their Report and in a special Resolution.

Resolutions passed at the Congress

PROMOTION OF CO-OPERATION

The first Resolution to be dealt with was the Resolution on the Promotion of Co-operation, which was presented by Prof. H.L. Kaji:—

"The 17th Congress of the International Co-operative Alliance, draws attention to the outstanding difference in economic development and standard of living between the more advanced and the under-developed countries of the world, and emphasises the duty of the co-operative movement effectively to contribute to diminishing and ultimately to abolishing these differences.

The I. C. A. appeals to the International Co-operative Movement to further the progress and stabilisation of Co-operation in all fields—consumers' agricultural producers, credit—in the under-developed areas in the world with all the energies and resources at its disposal.

The International Co-operative Alliance should establish and maintain working contacts with pioneering co-operative circles in under-developed areas.

The national organisations in co-operatively more advanced countries should undertake energetically to promote the commercial exchange of products with the co-operative organisations in the under-developed countries; and to give their support in providing facilities for leaders and officials of co-operative organisations in the under-developed countries to acquire intimate knowledge of co-operative principles and helpful experience of the working methods of Co-operation in co-operatively more advanced countries.

The 17th Congress of the I. C. A. further directs the attention of the national organisations to the importance of international action through organs of the United Nations Organisation to promote general economic and social progress in the under-developed countries along the lines expressed, eg., in the Charter of the International Trade Organisation."

Prof. Kaji said that the Resolution was one of very far-reaching importance. "The peoples of the world everywhere, in India and the East and in Europe and the West, pray for peace. Co-operation has as its object in the first instance the raising of the economic conditions of the workers, but how can we possibly expect to raise their working conditions and to improve their economic conditions unless there is peace in the world?" The Resolution on the promotion of Co-operation, which the speaker characterised as the Central Resolution of the Congress, related to the spread and development of Co-operation in the under-developed countries. The question had been raised in the Central Committee of what the "under-developed countries" are, and it had been suggested that the words "colonies and dependencies" should be inserted instead. He pointed out that this last mentioned expression was, not a correct one, because there were several States, like for instance India, which were no longer in the category of colonies and dependencies, but independent sovereign States, yet economically under-developed. The interpretation of the word "under-developed" might offer some difficulties, but the implication of the Resolution was that Co-operation should be promoted not only in the under-developed areas, but in all areas all over the world. The Resolution, however, formulated the policy to be adopted in promoting Co-operation. There were outstanding differences in the standard of living between the different parts of the world—there were in India, for instance, millions of people who had a standard of living that was below the standard of subsistence—and, in raising this standard of living to at any rate a decent level, Co-operation could help a great deal.

Prof. Kaji further referred to the mention made in the Resolution of the promotion of economic and social progress in the under-developed areas through international action. Reference had been made to the principles laid down in the Charter of the International Trade Organisation to this end. This did not imply that we were bound to copy only the principles laid down there, but similar principles elsewhere, wherever good principles were.

The results which may be obtained by the adoption of this policy are the utilisation of the natural resources of the world to the fullest extent, for the benefit of producers and consumers, the emancipation of the populations of all continents from the moral, educational and cultural points of view, and an all-over economic advancement in the world. In the measure these results would be attained it would also mean a contribution to the steady reinforcement of the feeling of solidarity between peoples which was the fundamental prerequisite for a lasting peace. In concluding, Prof. Kaji said that he hoped that the Executive would take active steps in order to implement the Resolution in a really effective manner, and would later embody in its report a statement of exactly what had been done on this very important matter.

Mr. Patel, India, thought it would be appropriate to ask the Congress also to devise ways and means for putting the Resolution into effect, so as not to make it only a pious wish, and wanted a small committee consisting of Great Britain, the U. S. S. R., Switzerland, Holland, Czechoslovakia, India and China to be appointed, with the object of organising the co-operative movement in various countries where co-operative ideology had not so far penetrated.

310 INDIAN CO-OPERATIVE REVIEW (OCT.-DEC., 1948)

Mr. Sidorov, U. S. S. R., proposed a number of amendments to the resolution, aiming at changing the term "under-developed countries" to "colonial and dependant countries," at making several other changes in the wording in the first three paragraphs, and at eliminating altogether the part of the Resolution dealing with the I. T. O. Charter.

Prof. Kaji, in replying to the proposal of Mr. Patel said that the Executive could take the necessary steps in the matter, and it might not be advisable to appoint a special committee at that Congress. "If afterwards we find that the Executive is not able to cope with the problem we might ask for the appointment of a special Committee."

The amendments of Mr. Patel and Mr. Sidorov were put to vote and lost; the resolution of the Central Committee was adopted.

CO-OPERATION AND HOUSING

"The 17th Congress of the International Co-operative Alliance stresses the importance of the Co-operative housing and building societies organised for the general solution of the housing problem in pursuance of progressive social and economic policies aiming at the development of adequate housing standards in urban and rural zones; at avoiding land speculation and excessive profits in the housing industry; at improving the output of the construction of houses; and at lowering the costs and rentals so as to make satisfactory housing accommodation available for social classes with low incomes;

Recommends the affiliated national organisations, wherever private monopolistic combinations are active in the production of building materials, fittings and fixtures, or in the industries or installation, with detrimental effects on the costs of construction, to embark upon the production of key materials in suitable fields of industry, and, where co-operative housing organisations become, eventually, active in these fields of production, to seek contacts with them with a view to establishing jointly-owned enterprises. The Congress, emphasises the desirability of a continued study of the nature and possibilities of development of housing co-operation within the I.C.A. with a view to gathering into the Alliance as members those national or central organisations of co-operative housing and building societies which conform to its rules, and to drawing up, with the assistance of these organisations, general principles and practical directives for continued co-operative and inter-co-operative action in the field of housing."

Dr. Ruf, Switzerland, introducing the Resolution said that a satisfactory solution for the problem of housing had proved most difficult in the various countries and that one of the reasons for this was that in nearly every country housing and the land are subject to the activities of speculators, while materials and construction are often in the hands of monopolists and exploiters by capitalist enterprise. In Switzerland and Denmark the production of materials for construction was undertaken by co-operative organisations with very good results. He wanted the co-operative housing organisations in the various countries to collaborate efficiently with the consumers and the agricultural co-operative organisations in solving the problem.

Mr. Score, Great Britain, complained that the co-operative movement had not done as much as it ought to have done to provide housing. In Great Britain funds aggregating to £ 70 millions had been made available for working class housing through the Co-operative Permanent Building Society, the C.W.S., the S.C.W.S. and the Co-operative Insurance Society.

Dr. Bonow, Sweden, narrated how the Swedish co-operative movement by entering the field of building industry and the production of building materials had been able to break up the monopolies and obtain the benefit of lower costs for the consumers.

The Resolution was unanimously adopted.

WORLD OIL RESOURCES

"The 17th Congress of the International Co-operative Alliance stresses the urgent necessity of an effective implementation of the Atlantic Charter of free and equal access to the raw material resources of the world for the maintenance of a lasting peace;

Further, that these raw material resources to an ever-increasing extent are being exploited by monopolistic combinations, cartels and trusts, active in the national or international field, with a view to deriving excessive profit by restricting production and establishing domination of the markets of distribution;

Also that this development in the case of certain important raw materials as petroleum, has had the effect that, in spite of abundant potential resources, the supply available during periods of particularly heavy demand cannot satisfy the growing needs, that, in the present situation, a world shortage of petroleum has arisen;

The Congress, therefore, emphasises the urgency that this development be submitted for a study to a suitable organ or specialised agency within the framework of the United Nations Organisation to serve as a basis for measures to be taken with a view to safeguarding, by international agreement, the expansion of production and the free access to petroleum; also to providing for the consumers all reasonable facilities to cover their needs through organisations of their own."

Mr. Davidson, in introducing the Resolution, stressed that oil imperialism was rampant involving some of the great Powers. "The struggle for oil is a far-reaching one, which may possibly involve the Peace of the World; already has been bloodshed since the second world war, and crude oil has been undoubtedly somewhere in the background . . . It is probably inevitable that the United Nations should take part in the game internationally." Oil men feared this bitterly, and were taking millions of dollars from the consumer to wage war on the consumer. He also emphasised that the Resolution had been endorsed by the International Co-operative Petroleum Association and that only by the application of co-operative principles to all the ways of life would mankind hope to emerge from the present darkness and difficulties.

Mr. Gill, Great Britain, explained that the present capitalistic control of oil took three forms: "monopoly control by certain countries; there is the monopoly control by capitalistic cartels; and there is the third form of control, where the State and capitalists have combined and formed their own cartels." What the Resolution asked was that an enquiry should take place, with a view first to determining all the sources of raw material, and secondly determining the needs of the various countries for the raw material and thirdly determining a fair share of the oil for all the countries that need it, whether they were producing countries or not. In order to prevent the old rivalry between States over oil from going on, the Congress should ask that the enquiry should be complete, and should deal with State-controlled as well as with capitalist controlled oil.

The resolution was then adopted.

JOINT INTERNATIONAL CO-OPERATIVE ENTERPRISES

The Practical Development of International Co-operation in the Economic sphere was the subject of a paper by Mr. A. Johanasson, Sweden, who had a resolution on it.

State control and guardianship over economic life had existed in many countries for many hundred years. Its breakdown was brought about by the growth of Liberalist ideas. Consumers availed themselves of the liberty to form enterprises of their own, but only to a very small extent. After the advent of the Rochdale Society, a century ago, the theory of Consumers' Co-operation developed with a programme for the formation of more and more societies. Their non-profit character distinguished them from worker's productive societies which were interested in obtaining the highest possible income for themselves.

Though economic liberty was accepted in principle co-operatives could not spring up immediately for lack of education among those concerned. It was with the spread of literacy and elementary education that co-operative activities developed but only on a national scale. Even within a country the bigger societies acted as wholesalers on behalf of the smaller ones. The same thing might happen in the international field, the larger national wholesales selling to wholesales of smaller countries. This is not compatible with the co-operative programme.

Productive and distributive enterprises of a co-operative character should be owned by the buyer—consumers, persons or organisations. The magnitude of co-operative wholesales and their financial and commercial strength in different countries are very divergent. The bigger wholesales might look askance at collaboration with the smaller wholesales. But are not big and small societies in England all affiliated to the C.W.S., all benefiting by this Co-operation? Why should it not be the same in the international sphere? He cited some examples.

The manufacture of electric lamps and materials is a co-operative enterprise in Norway, Sweden and Scotland. Why should they not be jointly owned by all national wholesales? The Swedish C.W.S. has expressed its willingness to co-operate in the realisation of such a programme, which would be an advantage to all, including those who now own lamp factories.

In the distributive sphere, the British co-operatives forming The English and the Scottish Joint Wholesale Society are the owners of the largest wholesale tea business. Other wholesales buy from them without being members. Why not convert this into an international co-operative enterprise comprising all countries?

Consumers' wholesales need not exclude the participation of Farmers' Co-operative Organisations in the field of producing commodities handled by both types of societies (e.g., fertilisers, agricultural implements, etc.) or such commodities as the raw material of which is to a large extent controlled by Farmers' Co-operative Organisations (e.g., wool tops and woollen yarns).

The paper next dealt with the obstacles to the establishment of international co-operative enterprises inherent in the present world situation—high tariff walls, quotas, currency restrictions and other barriers. There are also obstacles of a political nature—the unsettled conditions of world affairs and the general unrest after the war, which are, having their repercussions on production and the standard of living, which sustain a feeling of discord and dissatisfaction, thereby increasing the feeling of anxiety. Only increased production can bring about peace and security in the world.

"Countries which isolate their commercial and industrial life behind high trade barriers commit a crime against the interests of humanity", stressed the writer. The citizens of these countries are "protected" from the prosperity that general co-operation between the world countries would give them.

The efforts to remove the excessive barriers to international trade have found their expression in the Charter of the International Trade Organization, drawn up in Havana and signed by 53 countries, representing 93 per cent of world trade. The right of any country to impose tariffs and other barriers should be limited, at least gradually. If this programme of the I.T.O. is realised in practice co-operators will be given the opportunity of building up international undertakings between the national co-operative wholesales that will render mutual service.

The realisation of a co-operative order of international trade would be a strong guarantee of peace. In no other economic system is that possible, as they are built up either on a national basis or else on profit interests. The conflict between buyer and seller cannot be eliminated unless all are joint owners of an undertaking, no matter in which country it is situated.

The Soviet delegate, Mr. Sidorov, criticised the paper. He did not agree that world stability would follow from harnessing and expanding production and consumption. This would only divert the people from their fight against the real causes of imperialistic wars. In the present conditions of monopolistic capitalism, war was the inevitable result. Groups of capitalistic countries would form conflicting camps in fighting for raw materials and in trying to fix spheres of influence for their profit. If countries should give up part of their sovereign rights as regards tariffs etc., it would only be supporting the Marshall Plan which, Mr. Sidorov characterized as a move on the part of the American Government

to have the European countries renounce their rights to dispose of their economic resources and to plan independently their national economies. This would mean the loss of political independence of those countries and the dismembering of Europe and the organization under American leadership of military political block of Western European countries directed against the Soviet Union.

Mr. Gosling, Great Britain, said that the English C.W.S. would not look askance or with surprise upon a proposal for collaboration. In fact several national wholesales had become members of the C.W.S. sharing in its surplus, according to their trade. It showed and would continue to show its willingness to associate in the working of international trading relationships.

Mr. Cluet, France, President of the International Co-operative Trading Agency gave a summary of the efforts which had led to its establishment and said "we should not only discuss this question on a theoretical basis; but should create actual organizations able to compete with the internationally powerful Trusts and Cartels". The co-operative movement should use its very great power to attack the key industries, the heavy and other industries. "We should do all we can to obtain control of resources, as we are now trying to do in the case of petrol."

Mr. Eftel, Israel, said that nationally or internationally the influence of the co-operative movement was not strong enough in comparison with the capitalist economic power. Consumers' co-operatives should take the lead in organising international co-operation but in the meantime we should encourage all other forms of co-operation, e.g., transport, workers' productive and agricultural.

Dr. Bonow, Sweden, who had been personally associated with the Havana Trade Conference, defended it. It was an obvious fact that excessive trade restrictions hampered international co-operation. The Charter provided for reducing those restrictions, at the same time taking full account of the possible difficulties in economic and monetary field. The Charter provided for the full use of productive powers of the member countries for the benefit of the world as a whole, raising the incomes of all. The Charter also provided a means of checking the activities of the international cartels through international legislation and supervision. These were weapons which could be most effectively used by the co-operative movement.

Dr. Fauquet, France, and Mr. Taylor, Great Britain, took objection to the conception of Mr. Johansson that international co-operative organisation should consist mainly of consumers' societies with producers' societies in their hands. Both types should be developed with exchange of goods and services between them. Apart from other services, Mr. Taylor said that productive societies in general gave the right of self-expression in industry and made a contribution to Co-operation through the medium of factory and supplied consumers' societies.

The resolution was amended in the light of these remarks and of the appeal of Mr. Barbier, Switzerland, to the same effect.

The amended resolution, which was adopted by the Congress, was as follows:—

"The 17th Congress of the International Co-operative Alliance considering that the co-operative programme implies the conciliation of interests between consumers and producers, and, therefore, a co-ordinated activity between the different types of co-operative enterprises—

Recommends that, in the countries where it is possible, the national co-operative wholesale societies and other national co-operative organisations shall establish joint international enterprises in their different branches of production and trade.

The Congress further recommends the affiliation of the consumer co-operative organisations, of the agricultural and of the artisanal and workers' co-operative associations to the International Trading Agency and to the International Co-operative Petroleum Association.

The Congress greets with satisfaction the beginning of a development towards international trade less restricted and better adapted to the needs of the consumers also towards an expansion of world markets, which is foreshadowed by the adoption of the principles which form the basis of the Charter of the International Trade Organisation by the United Nations Conference on Trade and Employment in Havana, signed by the delegates of 53 nations, representing 90 per cent of the present volume of international trade.

The 17th Congress of the International Co-operative Alliance, which comprises national co-operative organisations with an aggregate membership of 95 million, recommends that the national co-operative organisations should direct all their efforts to influencing the Governments and Legislative Authorities in their respective countries to carry into effect the main principles embodied in the Charter of the International Trade Organisation, with a view to ensuring for the co-operative movement the degree of freedom in international trade which is required for establishing successful joint international co-operative productive and trading enterprises".

CO-OPERATIVE ATTITUDE TO NATIONALISATION

Mr. J. M. Peddie, Great Britain, read a paper on the above subject of which the following is a summary.

He referred to the development of nationalisation in Great Britain from the time of the establishment of the British Post office 300 years ago up to the pre-war period, indicating the hesitant acceptance of Government authority and responsibility for nationalisation.

Following the second world war and with the advent of the Labour Government, a more developed form of Public Corporation came into being as a definite instrument of nationalisation—in accordance with the principle of direct appointment, ministerial responsibility, financial autonomy and administrative freedom. Examples are the Bank of England, the National Coal Board, the Cotton Commission, the New Electricity Authority and the Transport Commission. In all these, provision is made for the appointment by the Minister of Councils representative of various classes of consumers and of the Board concerned. They have an independent existence from the Boards with which they are associated. They do not take executive decisions; their function is to provide a medium for the exchange of information of mutual interest to producer and consumer, to ventilate grievances which, if necessary, they can bring before the Minister.

There is, in Britain, no set form of organisation for nationalised undertakings. The method varies from direct operation by a Government Department to rather loose public control of a privately owned enterprise. There has been, however, a constant striving to find a formula that would combine safeguards for the public interest with flexibility of control, speed of action, business efficiency and freedom from red tape.

The British Co-operative Movement was in favour of nationalisation of land and railways as early as in 1901 and repeatedly advocated it. In 1948, it called for an act of Parliament for the nationalisation of coal mining and electric power. In 1944, railways, shipping, canals and aviation were declared suitable for State ownership and control, and certain utility services were suggested for municipalisation. With regard to certain other industries, State control was advocated through Boards representing consumers.

It was in 1947 that the Congress stressed that in the development of nationalisation the movement had claims for independence. It was not prepared to enter into a suicide pact for the transfer of its services, trade and industry to any National Board or State Corporation. The co-operative movement and socialism should travel parallel paths. It had no intention of merging its economic organisation with that of the State or municipality. Future measures of nationalisation might infringe upon what the British Co-operative Movement has looked upon as its special field of co-operation. It feels that the methods of State control are not suitable to the field covered by co-operative organisation. Where the consumer choice is involved, the advantage of co-operative control is obvious.

There is no inherent conflict between co-operation and nationalisation. The former places greater emphasis upon consumer needs and rights. Some organisational means will have to be found to provide consumer opinion with a much more positive opinion than is

now possible through e.g., the consumers' councils in the present Boards of nationalised industries.

Co-operation has its limitations in some fields of industry, but in its own spheres of operation it certainly provides a superior form of democratic control and evokes greater personal interest and participation than does nationalisation. Every industry presents its own different aspect to nationalisation and every nation has its own historical background and economic environment justifying the development of particular form of collective control. In Eastern European countries, the new economic policies undoubtedly recognise an important functional purpose for the co-operative movement but the State's dominance is implied, and the movement is employed by the State as a tool or instrument within defined limits dictated by State authority.

The British co-operative movement claims full and complete recognition in the new economy; it rejects any suggestion of compromise that would offer some static position of a subordinated and restricted agency. It demands the ability to function and expand, giving the individual the democratic right freely to accept the principle of voluntary association. Such a dynamic function would not weaken but strengthen and give a necessary flexibility to any system of collective economy in which it operates.

Mr. Peddie continued, that there were in nationalisation risks of entanglements of State bureaucracy and in certain cases of remote control of management slipping into economic dictatorship with disastrous results. Any social or economic order, if it was to live in a democratic form and to avoid bureaucracy or worse, had to stimulate the sense of personal freedom, responsibility and participation which was the only free form of democracy. The value of co-operation in this respect was affirmed even in those States which to-day found the necessity for complete and overall planning.

Dr. Bonow, Sweden, was in agreement with the general principles of the paper but wished to delete the reference to 'key industries' which was not a clear conception. It was unwise to draw up too rigid a scheme and to say that key industries should be nationalised. The people of each country should be allowed to have that degree of nationalisation and that sector of co-operation which they wanted according to their plan of reconstruction.

Mr. Cadogan, Great Britain, said that the State should own and control the use of land, transport, mineral wealth, and those fields where it was the function of the State to provide the means of wealth production for its people. Other lines of production should be left to the co-operative movement. Co-operators in Great Britain felt that they could preserve the liberties of the people, reduce the cost of living and bring happiness and comfort to millions.

Mr. Ochab, Poland, said that in Socialist States nationalisation was an expression of the power of the workers and peasants whereas in a capitalist, particularly in an imperialist one, nationalisation would be carried out in the interests of the majority of the bourgeoisie. It was restricted to only a small part of the economic life of the country and often to a part which operated at a deficit. The people's State regarded the co-operative movement as an excellent instrument in the right against speculation, or the raising of the standard of living. It was an excellent school for management and the only form of unifying small scale and rural handicraft production in planned State economy. It was the easiest and safest way for millions of peasants and of craftsmen to join the proletariat in the march towards socialism. Although nationalisation of some branches of industry in a capitalist State was powerless in facing economic crisis, it should be encouraged by the co-operative movement as a sign of progress and be extended to cover more fields of activity. British co-operators should liberate themselves from the slavery of bourgeois ideology and 'throw away the myth of the co-operative Commonwealth.' He proposed a resolution all in favour of nationalisation.

Mr. Castagno, Italy, said that it was hopeless to undertake the defence of the consumer, if the means of production and distribution were not organised in a socialist way.

Another delegate from U.S.S.R. said that Mr. Peddie advocated a peaceful and gradual transition to socialism by development of co-operative form of economy in industry and trade, while Soviet co-operators wanted the overthrow of the possessing class to build up socialism. Co-operative socialism would divert the working class from their real revolutionary task. In the Soviet State Co-operation collaborated without any infringement of its liberty.

Mr. Peddie, in reply, denied that British nationalisation was done in the interests of the bourgeoisie, that the British co-operative movement was not able to meet the economic crisis, and said that the movement had grown stronger and was really independent and gave the people the right to free self-expression. Although in certain fields, nationalisation had undoubted advantages, Co-operation had a part to play in the fields where consumer preference and contact were important. It was absolutely necessary if there should be a sound democracy based on the true will of the people recognising the fundamental human rights of the individual within the State.

Mr. Peddie moved the following resolution and it was adopted by a majority.

"The 17th Congress of the International Co-operative Alliance, expresses its opinion that nationalisation does not by its universal application provide an answer to the problem of collective ownership and control, but must be judged by the ends which it sets out to accomplish and by the extent to which the methods employed are likely to achieve the social and economic objectives implied in a democratic conception of collective control of industry.

Such control should aim, in the main, at preventing the pursuit of private profit from conflicting with public interest, at creating a higher and more stable standard of life for the whole community, at ensuring the rational development of the nation's resources and the maximum economic benefit from large-scale operation and, generally, at securing an extension of the principle of democracy into the economic field.

The Congress is of the opinion that every nation has its own historical background and economic environment that would justify the development of its own particular form of collective control. The claim for defined fields of co-operative and State action in many countries has its justification in the conviction of co-operators, confirmed by co-operative practice, that Co-operation, having its basis in voluntary efforts, makes a special contribution to democracy which can find no substitute in the inherent compulsions of State action. Whilst nationalisation and Co-operation have complementary functions, it has been shown that, in those industries and services which cater directly for the individual consumer, and where personal preference and taste are important, Co-operation provides a method of operation superior to nationalisation.

In countries in which national economies are founded on the conception of an over-all State planning, competition between State trading organisations and voluntary Co-operation has proved to be without deleterious effects upon such planning, and the maintenance and expansion of voluntary Co-operation has been urged as a means of stimulating the efficiency of the national economy.

The Congress, therefore, on behalf of the co-operative movement, claims full and complete recognition of voluntary Co-operation in the new collective economy; it rejects any suggestion of compromise that would offer to Co-operation some static position of sub-ordinate or restricted form and enterprise; and demands for Co-operation the ability to function and expand, thus giving to the individual the democratic right to freely accept the principle of voluntary association. Such a dynamic function on the part of the co-operative movement would not weaken, but, on the contrary, would strengthen and give the necessary flexibility to any system of collective economy in which it might operate."

PEACE

"The 17th Congress of the I.C.A. emphasises anew that the strivings for the maintenance of a lasting peace are indissolubly inherent in the co-operative movement, which has been making steady progress since the last Congress, and unites ever-growing numbers of the broad masses of people in all continents.

The Congress strongly stresses that it is the duty of Co-operation, in the present international situation even more than previously to work for peace with all resources and energies at its disposal, make all contributions necessary for reconciliation and understanding between the peoples of the world, and unite in an unbreakable front against all forces active in weakening the foundations of a lasting peace.

The Congress recommends the national organisations to strain their efforts to make the activities of the United Nations Organisation known to the fullest extent in all countries, and to bring pressure to bear on their governments to make their contributions towards bringing them into full effect.

The promotion of peace has been the task of Co-operation from its first origins and has found its expression in all its principles, its objectives and its activities.

The Congress urgently appeals to the co-operators of the world to raise their voices in the defence of peace, free progressive development of the co-operative movement, independence of nations and close collaboration between all peoples.

The Congress calls all national co-operative organisations to celebrate the traditional International Co-operative Day by mass meetings in their respective countries in support of peace and democracy and the raising of the standard of living of the toilers, and recommends them to take up the fight for peace in collaboration with trade unions and other democratic organisations."

Mr. Brot, France, in moving the Resolution, stressed that it had been the custom at all the Congresses of the I.C.A. to pass a Resolution in favour of peace. Our hopes had not been exhausted, although we had witnessed two terrible wars. The Alliance could now do more than just pray for peace, particularly through the United Nations, where the Alliance had a voice. The Resolution was adopted unanimously.

DATE AND PLACE OF THE NEXT CONGRESS

The President announced that invitations for the next Congress had been received from Italy, India and Denmark.

Pro. Kaji, India, speaking on behalf of the Indian co-operators, stressed that all the sessions of the Congress had hitherto been held in Europe, and that it was time that the Alliance gained true international stature by meeting at least once in the East. The holding of the Congress in India would be a very great step towards the promotion of Co-operation there. India, he stressed, was an ancient land, a land of ancient glories, also a land of future promise. If the Indian invitation was accepted, the pace of Indian progress would be quickened.

The President stated that it had been customary for the invitations to Congress to be referred to the Central Committee, who after investigating the facilities, decided which invitation to accept. He recommended the Congress to accept that course. The Congress agreed.

The President, in his concluding speech, first thanked the hosts of the Congress, for their excellent hospitality. The delegates to the Congress, he hoped, when reaching their homes safely, would feel the better for their visit and more encouraged to continue their work on behalf of International Co-operation and of the national movements they had been representing.

THE NEW PRESIDENT

The retiring President then introduced the New President of the Alliance, Mr. T. H. Gill, as one who had throughout the whole of his life served the cause of the working people as a leader in the British Trade Union Movement, as a Labour Member of the British Parliament, and as a Director of the Co-operative Wholesale Society. He wished him every success in the new labours which he was to perform, and he had the fullest possible confidence that he would earn the confidence of the Organisations represented at the Congress.

Mr. T. H. Gill assured the Congress that it would be his desire in his position as President of the Alliance to give of his best.

CO-OPERATIVE PRESS COMMENTS ON THE CONGRESS

"It may seem that very little of a tangible character has emerged from the four days gathering. There were fears before the Congress took place that Prague would see a definite break between the Eastern and Western nations. It seemed as if these fears would be realised on the first afternoon of the Congress, when the Russians sent up to the platform speaker after speaker to read long propaganda speeches which had nothing to do with the Report. The firm action of the President, who regretted what he assumed to be an attempt to wreck the conference, and who declined to allow a translation to continue when he realised that the speech did not deal with matters under discussion, checked these tactics, and the atmosphere of the Congress became less tense.

But the division between the views of East and West remained throughout the Congress, although on every issue on which the East opposed the West, and there were only two major resolutions (housing and peace) on which there was no division, the voting power remained with the West. It was depressing to see, however, that whenever a vote was demanded the whole of the Eastern countries, supported by the left wing Italian Group, followed, without question, the Russian lead. Each time the voting showed a solid block of 400 odd votes for the East and 500 odd votes for the West. This is a policy which can only end in deadlock. However, there was no definite break and the Russians did not walk out, or stay away (as the Russian women did from the International Women's Guild Conference). So, although the link may have been weakened, it still holds, and while it holds, there is hope.

In spite of the irritating repetitions of the phrases, 'warmongers and imperialists', used by the Eastern delegations against the West and the equally irritating (and untrue) suggestion in almost all the Eastern speeches that only the Eastern countries in the Russian orbit were striving for peace, the Western delegations refused to disrupt the conference by counter attacks, except for the outburst by Mr. T. H. Gill. The opinions he expressed were unanimously supported by the Western delegates, especially when he declared that he was ready to extend the hand of friendship and good-will, but that the campaign of slandering and lying would not bring peace and friendship."

—*Co-operative News*, Manchester.

"It would be foolish, however to imagine that all is well on the international co-operative front. There are serious problems to be faced, and one of them is to recognise that in the world there are two schools of co-operative thought. In Britain, France, and the Scandinavian countries supported by National Co-operative Movements west of Czechoslovakia, there is a desire to hold fast to the principles of Rochdale. We stand firmly on the principle that the Co-operative Movement, in its distributive and productive field, should retain its voluntarism. We are against State control or State direction of the Movement and do not admit the right of the State to determine the boundaries of co-operative business. In Russia, and her satellite countries, among which Czechoslovakia must now be numbered, the Co-operative Movement is simply an instrument of State policy. It has no real freedom to go its own way in the people's interest.

Despite its differences and conflicting ideologies the Prague Congress was not a failure. It showed with the present day world that Co-operation, in practice, can disprove the old tag: 'East is East and West is West and never the twain shall meet'."

—*Scottish Co-operator*, Glasgow.

"There has been plenty of robust talking, for the shadow of East-West diplomatic tension lay heavily over the Congress. Prague has made the I.C.A. into about the most significant and hopeful international body in the world, for co-operators have proved in the worst conditions that could exist short of war that it is still possible for the peoples of East and West to work together and to disagree without breaking apart. The peace declaration was one of only two resolutions to be supported by the whole Congress (the other was on housing).

The delegates had travelled through some rough waters before they reached this unanimity, for two sharply contrasting points of view on the role of the Co-ops in the modern world were clashing throughout the Congress. The Slav countries maintained in amendments to nearly every resolution that the job of the Co-ops is to throw themselves into the 'struggle against facism in all its forms and manifestations,' to ally themselves with the W.F.T.U., and similar bodies, and to resist 'the yearning of some States for world supremacy'. They maintained that the Co-operative Movement could only fulfil its main purposes by working for the establishment of complete socialism and that it was wrong for the Co-ops to claim that in a Socialist State their Movement should have a large degree of freedom and independence. But the majority of the Congress stuck to the co-operative international tradition of political neutrality (although of course, different National Movements, as in Britain, are active in national politics)."

—*Reynolds News*.

"The East and West have now entirely different opinions about the task of Co-operation and its position in the life of society. On one side is a Co-operative Movement which is incorporated into a totalitarian State socialistic, planned economy, and which has greatly limited possibilities for practical economic collaboration externally, but which, however, may play an important role in these countries as an independent, free and voluntary movement in strong competition with private trade and industry: a movement in which one considers nationalisation and State control from the point of view of its suitability and effectiveness in each separate case."

—*Swedish Paper 'VI'* 16th Oct. 1948.

"It was not an easy Congress. I have before me a red pencil note which I hurriedly made in my notebook towards the end of the first Session—'A sudden realisation of the almighty power of unreasonableness.' The loud speakers, screaming almost without a break in Russian and Polish, deafened the meeting by their roar and rhythm. The syllables rattled, from the mouths of the loud speakers like machine-gun bullets, as if everything depended on riddling the target in the five minutes allowed to each speaker, and this target was the large Congress Hall. Equally wild, terrifying, and irrepressible was the roar of applause.

And yet, it was an admirable Congress. Just as I remember the first scenes, so I remember many others on which I could have made a note of the almighty power of human contact when it was a question of clearing up misunderstandings."

—*'La Co-operation'* 16th Oct. 1948.

"The popular weekly journal of the Swiss Co-operative Union (V.S.K.), Ch. H. Barbier."

"The Congress of the I.C.A., are always of great interest. They enable delegates to study from the international standpoint the problems which face co-operators in every country, and to devise means and ways for the establishment of joint organisations of production and distribution in the interests of consumers. One can feel the currents of thought which shake the world, and which are particularly agitated at the present time . . ."

—*"La Co-opérateur"* Paris 15th Oct. 1948.

"All delegates had scripts. Their addresses were not always concerned with the subject under discussion, but this did not matter; what mattered was to impress again and again the representatives from the capitalist countries.

This method was more spectacular still at the I.C.A. Congress. The two galleries were filled with visitors, most of them young people. They formed a perfect accompanying chorus. Whenever the President called to the platform a Russian delegate or a 'comrade' from a 'popular' democracy, the name was frantically hailed. And these waves of applause caught on with the main audience."

—*"La Wallonie"* Liege.

"We do not think that the 17th Congress of the I.C.A. can be listed among the good Congresses of the Co-operative Movement. It was not a co-operative world that many of the delegates had come to defend at Prague, but an ideology which clashes with the very essence of co-operation."

In many instances there remains nothing of Co-operation in what is being done in the East, where co-operatives are more often than not transformed into administrative organs of the State."

—"Le Co-operateur, Brussels, Oct. 1948."

"From all the proposals made at the Congress it can be seen that the Russians, Czechs, etc., wish to use the I.C.A., as a political instrument. The Co-operative Movements in the countries of the Eastern bloc are developing very rapidly under State direction, and this makes the possibility of an Eastern majority very evident."

The I.C.A., may well have to face considerable difficulties in the next Congress which will be held in 1951. It will require great exertions and great patience to steer our fine organisation, which is still one of the biggest world organisations, into quiet waters."

—Co-op., Rotterdam, October, 1948.

"The report concludes:—The mobilisation of the fighting capacity of the Eastern co-operative bloc as one of the characteristic traits of the Prague Congress. The consequence is that, now the ideological struggle inside the I.C.A., has begun, nobody can predict to-day how it will end; but that it holds certain dangers for the inner and outer stability of the I.C.A., the Prague Congress has clearly demonstrated."

—Konsumgenossenschaftliche Rundschau, Hamburg, 31st October 1948.

"It would be wrong not to recognise that the Congress had some noteworthy positive aspects. Amongst other things, it must be recognised as an important fact that at the end of its work the Congress should have adopted unanimously a peace resolution, the result of the amalgamation into a single text of the British proposal and a draft proposed by the Soviet delegation. Thanks to this vote World Co-operation has given itself a fighting platform of great universal interest."

—"La Co-operazione Italiana"

"The Congress has demonstrated that co-operative collaboration will continue stronger than ever, and that Co-operation will maintain its fight for lasting peace with a new spirit as shown by the unanimous approval of the Peace Resolution. Different opinions were stated at the Congress, but in an amicable spirit, so that the I.C.A., will remain an Organisation of International Co-operation. It has been proved that the nations are united one with another and that the I.C.A., although over fifty years old, is still very much alive."

—"Druzstevni Vestnik." A. Zimchal, President of the Council.

"A bridge of peace had been built between East and West at the recent meeting of the International Co-operative Alliance in Prague. While acknowledging that the bridge was frail and shaky, Cowden pointed out that the fact that it could be built at all, was a tribute to the practicability of the co-operative ideal."

—A. Cowden, Vice-President of the Co-operative League of U.S.A.

Leader of the American Delegation to the Prague Congress in *Co-operative News Service*.

CO-OPERATIVE CONFERENCES AND MEETINGS

THE XXXV MYSORE PROVINCIAL CO-OPERATIVE CONFERENCE

Held at Shimoga on 24th December 1948

Extracts from the Inaugural Address delivered by Sri. H. Siddiah, B.A., LL.B., Minister for Revenue and Public Works in Mysore:

Object of Conference:—It is in the fitness of things that in such conferences as this, we should compare our experiences and consider the steps necessary for promoting the movement on safe lines. A conference like this, I am sure, will focus experience, elucidate matters of doubt and give a fresh fillip to the movement. As Minister in-charge of Co-operation and Marketing, I assure you that our Government would be interested in the decisions that you would be taking at this conference and would do all it can to remove the difficulties in your way and to help you in furtherance of your plan of developments.

Progress:—The movement which was at first a credit movement has been called upon to undertake a large number of new activities presenting problems of varied interest and complexity. With the advent of War, the producers' and the consumers' co-operative societies have begun to play a prominent part. There are at present about 50 producers' marketing societies and about 500 consumers' societies. The organisation of producers' societies for important commodities, like arecanuts, cotton, cardamoms, coconuts and copra, potatoes and onions, groundnuts, (paddy and ragi after removal of the controls) affords scope for further development. Similarly, the development of store societies gives scope to cater to the needs of the consumers both in urban and rural areas.

One other important noticeable feature is the impetus given to societies by the introduction of control measures. Six hundred societies have been licensed to deal in mill made cloth. A few societies have also been granted the wholesale dealers' licences. Some of the societies are also dealing in iron and steel, agricultural implements, cement, paper, manure, soaps, match boxes, coffee seeds, etc. They are serving as a useful link between the producers and consumers avoiding as far as possible the middlemen.

Multi-purpose Societies:—With the development of marketing societies, the need for linking credit with marketing has gained importance and it is felt that controlled credit or in other words, development of multi-purpose activities seems to be the only panacea for the present-day evils. If the co-operative movement should be a live force in the economic regeneration and social uplift of the masses, it is necessary to organise multi-purpose societies at the rate of one for each *habli* and thus consolidate the movement by bringing all the villagers within the fold. Their main function should be to provide credit for current needs of the raiyat, to help him by supplying improved varieties of seeds, fertilisers and implements and to make arrangements for marketing his produce, to arrange for supply of all articles of domestic consumption, to supply raw materials for introducing subsidiary cottage industries and in short, to do everything conducive to the material well-being and moral uplift of the masses. I am aware that some of the societies in the State have already made a good beginning in this direction. The Registrar has submitted a scheme to the Government for organising multi-purpose societies throughout the State which also provides for free grants for construction of godowns, etc. The scheme is under active consideration of the Government. I hope that when the scheme is sanctioned, it will go a long way to raise the standard of living of the common man.

Cottage Industries:—The question of organisation of industries on co-operative basis requires the careful consideration of the Department. I am aware that some attempts have been made for developing indigenous industries on co-operative

basis, such as weaving, brass-ware, lacquer-ware, leather industry, perfumery, mat-weaving, basket-making, bee-keeping, poultry-farming, metalloid slates and gota manufacture, egg marketing, etc. But there is great scope for starting such subsidiary industries for the benefit of the agriculturist so that he may utilise the enforced leisure. I understand that cottage industries in Madras Province and elsewhere have made remarkable progress under the guidance and control of the Registrar of Co-operative Societies. There is a consensus of opinion that the development of major industries should be given to the Director of Industries and Commerce and the cottage industries should be made a separate organisation under the guidance of the Registrar.

Land Mortgage Scheme :—The land mortgage scheme which was inaugurated in the year 1929 has gained momentum from year to year and it is now in operation throughout the State. Eighty primary co-operative societies are affiliated to the Mysore Central Co-operative Land Mortgage Bank. There is vast scope for bringing more members within the beneficial effects of this scheme. The amount of loans so far advanced to them is only about Rs. 60 lakhs. In Madras, the Central Co-operative Land Mortgage Bank has, since its inception, advanced loans to the tune of over Rs. 3 crores. As the primary object of the movement is to extricate the indebted agriculturist from the clutches of the usurers, the finances of the Land Mortgage Bank require to be strengthened and placed on better financial footing. Unfortunately, the response from the public for the investment of their moneys in the debentures floated by the Bank has not been adequate even though there is enough guarantee of the State for the repayment of their moneys. The activities of the Bank have therefore practically come to a stand-still in the absence of adequate resources. Ways and means have therefore to be devised for increasing the capital of the Bank with a view to afford facilities for the quick grant of loans to the indebted agriculturists in rural parts.

Women's Societies :—I am glad that the women's co-operative societies which were hitherto in the back ground have now been resuscitated on account of the active steps taken by the Department. Incentive has also been offered by way of grants by the Government to ladies' co-operative societies at all district headquarters.

Co-operative Propaganda and Education :—No doubt, the scope for development of co-operative movement is very great at present. But its success rests with the people and with the progress of co-operative education among the members and the adequacy of well educated and well trained machinery for guidance, supervision and control. In other words, I lay emphasis on co-operative education, co-operative propaganda and publicity. For this purpose, the Government have already sanctioned grants to the extent of Rs. 5,000 per annum for a period of three years. To run the institutes successfully, adequate finance is necessary.

A lead has been given by the Minister in-charge of Co-operation, Bombay, by creating Propaganda and Education Fund and a statutory provision has been made to enable the societies to subscribe a portion of their profits towards this fund. I trust that example will be followed here and Government would be ready to subscribe equal amount to what the societies collect. The necessity for appointing an officer of the Department as Chief Propaganda Officer as in the United Provinces is under the consideration of the Government. I am glad to note that under the auspices of the Mysore Co-operative Institute, branches of the Institute have been organised at district headquarters and that co-operative conferences in each district were held during the year and in some places in taluk headquarters also, in order to bring home the beneficial effects of the co-operative movement to rural folk. This augurs well and I hope that in future, co-operative conferences at each taluk headquarters also would be organised and the societies in the interior parts also would take part in the deliberations of such conferences. These

measures are calculated to bring as many people as possible within the fold of the co-operative movement. It is hoped that the Propaganda Institute and its branches will not only undertake systematic organisation of classes and give training to employees of all societies, but also to carry on propaganda by printing pamphlets, arranging for visual instructions, running Kannada Daily on Co-operation, and such other methods and advance the cause of Co-operation.

The Mysore Co-operative Societies Act has been recently amended and consolidated with a view to bring it on par with similar Acts in Madras, Bombay and other Provinces. Under the Provisions of the new Act, the Department has been entrusted with the execution of decrees obtained by co-operative societies. There are other changes also introduced in the new Act in order to exercise better supervision over the working of co-operative societies. Hitherto, delays in regard to the execution of decrees obtained by co-operative societies which was an unhappy feature, will, I hope, be avoided and suitable steps taken to reduce the heavy pendency of decrees remaining unsatisfied.

Regulated Markets :—I have seen a list of subjects which you will be discussing to-day and to-morrow and I am glad to find that you have included, among other subjects, the question of establishment of Regulated Markets and starting branches of the Co-operative Apex Bank and the Mysore Provincial Marketing Co-operative Society. The establishment of Regulated Markets in all important trading centres will really be a boon to the agriculturists and it will secure to the cultivator better prices, fairer weightment and freedom from illegal deductions. The Markets Act though enacted in the year 1939 was, however, not given effect to until the present Ministry assumed office. The Government have sanctioned the establishment of Regulated Markets at Davangere and Tiptur at estimated costs of Rs. 36 lakhs and Rs. 28½ lakhs, respectively.

Licensed Warehouses :—It is a happy sign that we are soon going to have an enactment for the establishment of licensed warehouses as in Bombay, Madras, Travancore and the Punjab. The Bill has two-fold object, first of providing godown accommodation for agricultural produce and secondly, which is the more important one, of mobilising and strengthening the credit resources of the agricultural community.

Agricultural Co-operative Farming :—Starting of agricultural farming on co-operative basis is under the active consideration of the Government. Attempts have already been made at Nitkal in Malvalli Taluk and schemes are afoot for starting similar farms in some villages in Hunsur and Holalkere Taluks. It is under the contemplation of the Government to pass legislative measures in respect of co-operative farming in the State.

Societies for Refugees :—The Department is actively considering the organisation of multi-purpose societies for refugees of Sind and the Punjab.

In conclusion, I say that there is no movement higher and more worthy of your attention than this one of Co-operation. I feel that in order to improve the village community as a whole, there should at least be one society for every village which contains a population of 500 and above, so that they could train themselves in the habit of business and management of their own affairs.

I appeal to all co-operators to intensify their efforts for the spreading of Co-operation among the rural folk in particular. There is a great need for a large body of people imbued with a missionary spirit of service. I trust both official and non-official co-operators would give the necessary lead to make the movement a big success.

GENERAL MEETING OF THE ASSAM CO-OPERATIVE APEX BANK (Held on 20th October 1948.)

Extracts from the opening Speech of the Hon'ble Premier:

You know the main object of Co-operation. In this world of today two ideologies are trying to find expression and action in different countries—one in which the States assume the entire responsibility and want to carry out their programme of work by a totalitarian method. The second ideology is one in which individualism is respected and the work done for the good of the society is done collectively in co-operation between the State and the people. In this case the individual is not lost in the State. The individual maintains his individuality, but subordinates his interests for the greater good and larger interest of the society. We, particularly, who believe in Gandhiji's ideology, believe that human good can be achieved only through collective efforts based on the principles of co-operation, equality and justice. We believe that the aim of all schemes of Government should be the good of all and not the benefit of a few individuals. It is on such clear understanding of principles that the Government of Assam are going to launch their big schemes of development.

Real Co-operation cannot thrive in a system of society where an individual or a group of individuals are exploited by another individual or group of individuals. In a state of society where selfishness predominates and where each person cares for the satisfaction of his own wants only and at the expense of others if necessary, there is no scope for co-operation. Co-operative methods succeed only in that society which is founded on high moral standards—where every one is willing to help each other.

The aim of Co-operation is to shield the weak against the strong adversary by pooling the resources of the co-operators. The resources thus pooled are employed for producing more wealth on the understanding that this will be equally distributed. Equitable distribution is therefore a fundamental principle of Co-operation. Now then, Government have embarked upon this great venture of establishing the Co-operative Apex Bank keeping in view these principles.

You might have heard that the Government of Assam have decided to take up procurement and distribution of cloth and yarn on a co-operative basis. We met with some criticisms for taking this decision. Some were of opinion that the people who were normally engaged in textile trade would be badly affected.

It is not our intention to put anybody to difficulty. Everyone is welcome into this vast field of Co-operation and in our schemes of things there is room for the trader to come in as an individual co-operator. Besides there are other avenues open to him. We only want that the common interest must not be subordinated to individual interest. And for this reason we want that this textile business should be done through co-operatives. We are going to open this Bank to finance the co-operative societies. Our Bank will offer further opportunities to traders for profitable investments.

Government will subscribe Rs 2½ crores of the total of Rs 8½ crores for the shares of this bank. They will guarantee interest on debentures. It will, therefore, be seen that the investors will be doubly assured. They will also be assured that the venture will never fail. I hope that the principle of Co-operation will be better studied by the people of this Province. We are proposing to have a holiday on the 6th of November next which is the International Co-operative Day and the ensuing week will be a "Co-operative Week". Meetings will be held in the different parts of the Province to explain to the people the principles of Co-operation and also to seek their co-operation for our plans.

WEAVERS' CO-OPERATIVE OPENS OWN DYE-HOUSE

The opening ceremony of the dye-house of the Provincial Weavers' Society, Nagpur was performed by the Hon'ble R. K. Patil, Minister for Food, Agriculture and Co-operation, on the evening of Nov. 13, 1948.

Extracts from the speech delivered by the Officer-in-charge of the Society :

After going through various vicissitudes the Provincial Weavers' Co-operatives Nagpur, agreed to purchase the dye-house with the ancillary outfit of dyeing, belonging to M/S. Haji Karim Noor Mohamed, situated in Parwarpura, Itwara, for a sum of Rs. 75,000. This acquisition of a dye-house for the Provincial Society, has its own back-ground and a fairly old history behind it. The scheme to have a dye-house of its own by the Provincial Society was mooted as far back as March 1944 by its then President wherein it was contemplated to dye the yarn and silk supplied to the primaries in the central organisation's own dye-house; and the Provincial Government was pleased to approve the general principles laid down in this scheme in its memorandum dated 21-6-44 of the Commerce and Industry Department. Necessity of a co-operative dye-house for the Provincial society was again stressed in the address given to the late Sir Aziz-ul-Huq—the then Commerce Member to the Government of India—in the year 1945 on the occasion of the first meeting of the All India Hand-loom Board held at Nagpur. In January, 1946, the Provincial Society put in applications to the Deputy Commissioner and the Improvement Trust, Nagpur, for allotment of a plot of about 4,000 square feet in size for construction of a dye-house and a godown. A reference on the subject of the establishment of a dye-house was also made to the Secretary, Development Department in August 1945 and January '46; and finally, the item of the establishment of a co-operative dye-house for the Provincial Weavers' Society was included in the Government's Post-war Re-construction Scheme initiated in 1946, for the promotion of the hand-loom weavers' industry. For the establishment of our own dye-house the Government has been pleased to give us a loan of Rs. 25,000. The establishment of co-operative dye-houses in the country has been the demand, as far as I am aware, of the All India Weavers' Congress as well. In fact, as far back as 1946, the Provincial Weavers' Society in the Madras Presidency was running its own five dye factories. Thus, all these factors clearly and convincingly go to indicate how essential and imperative it became for the Provincial Society to have its own dye-house without further delay; and more so as not to allow the advantages particularly available in the de-control period of yarn to slip by.

The plinth area of the building is 5,118 square feet. There are 21 Korvan Vats (Wells) of 80 years standing in the dye-house, used for dyeing yarn in indigo colour, along with some other special varieties of colour; and the number of furnaces of brick and mortar containing iron cases is six. The dye-house has a capacity for dyeing five bales per day, on an average; and taking the number of working days in a month to be 26, the total number of bales, that can be dyed in a month in the dye house is 130 bales, when the dye-house gets to start working to its full capacity.

With the help of the Textile Expert to the Government and the dyeing demonstrator attached to his office, we have started and hope to maintain the standard of our dyeing at a high and efficient level—at rates which would compare favourably with the existing market rates. While our attempt would no doubt be to carry on the working of this branch of our activity with the minimum of expenditure and staff—particularly in the initial stages—we shall strain every nerve so as not to impair efficiency in the least. We will maintain accounts of the dyeing department on a distinct and separate footing, and we are sanguine that given the

necessary time, continuity of opportunity and free and unfettered management, we would be able to recoup at least half the capital cost of investment over the dye-house, at the end of the very first year of its working.

With these few words, I now request you, Hon'ble Sir, on behalf of the Provincial Weavers' Society to declare open the dye-house so as to enable its start with effect from to day, on this auspicious occasion of "Dwadashi" after Divali. We also take this opportunity of thanking you sincerely for the keen interest evinced by your good self throughout the tortuous windings in the path of negotiations for the purchase of the dye-house. Needless to add that without your sympathy and co-operation we would not have been able to complete the picture of our central apex institution in the cause of the hand-loom weavers of the province—for it is admitted on all hands that the adjunct of a dyehouse is a sine-qua-non for the successful working of a big and well organised central agency for distribution of yarn; and which has also its own manufacturing section.

Extracts from the Speech of the Hon'ble Mr. R. K. Patil.

"Sink your individual interests in the larger interests of the weaver community and stabilize and strengthen the hand-loom industry, which is the biggest cottage industry in the country". He deplored the fissiparous tendencies at present seen all over the country and made a strong appeal to the members to compose their differences and rise above petty personal considerations. Sri Patil further said that he would have felt happier, if one from among the weavers could have been at the helm of affairs of the Society and could have been available for opening this dye-house, instead of a Minister performing the opening ceremony at the request of the Officer-in-charge.

Mr. Patil, continuing, pointed out that it would make for greater unity and solidarity, if the membership of the society was confined to persons who actually weave. He further added that the weavers in the manufacturing section of the society should be constituted into a separate society of entity entitled to one vote along with other affiliated societies and suggested that the constitution of the Provincial Weavers' Society should be overhauled to that end at the earliest opportunity so as to enable the society to function on a truly democratic basis and truly serve the needs of the poor weavers.

Mr. Patil pointed out how the Provincial Society would have benefited a good deal by now financially, if the dye-house had been purchased six months ago instead of delaying matters due to party differences.

Mr. Patil further went on to observe that the co-operative organization of the weavers would remain incomplete without the establishment of a spinning mill of their own. While giving a brief account of the efforts that were being made to establish a spinning mill, he stated that matters could be speeded up to a much greater extent, if instead of the Officer-in-charge, the managing committee of the Society was in the saddle.

Mr. Patil assured the weavers that the Government had great sympathy for the weavers' cause and had reserved 25,000 spindles for the would-be weavers' own spinning mill. He next impressed on the authorities of the society the need of having the dyeing rates equal to, if not lower than the market rates.

EXTRACTS

SUMMER SCHOOL ON CO-OPERATION IN ORISSA

Government of Orissa have decided to open a Summer School on Co-operation with a view to give some practical training to non-official gentlemen who want to devote their energies to organisation of co-operative societies. It has been decided that the School will be held once every year during the period when schools and colleges remain closed on account of summer vacation. The School will be a rotating school and it will be usually held at such places as Puri, Balasore and Berhampur where the summer sun is not too hot for trainees. Roughly about 100 persons recruited from all over the Province will be trained each year. The main idea in putting them together would be to acquaint them with a disciplined camp-life together for a period of 6 weeks. In addition, lectures will be given on matters connected with the general principles of Co-operation, Co-operative Act and Rules, different kinds of model by-laws, the procedure for organising new societies, the principles involved in the co-operative method and the working of the co-operative institutions in other parts of the world.

Class II Railway fare and Bus fare will be arranged for the gentlemen who want to attend this course. In addition, boarding arrangements will be made at a cost not exceeding Rs. 50 per head per month. The trainees will be put on simple living.

Ordinarily men of good academic qualification should be recruited but in exceptional cases people who have read up to Middle School Standard will be admitted. The School is generally meant for non-official workers and does not aim at making people fit for Government service. Even College Students who want to avail this opportunity will be eligible for admission.

It is hoped that people with a real desire for service to the community will respond to this opportunity of attending to a disciplined camp-life and at the same time of acquiring the necessary training for running such non-profit-making institutions as co-operative societies. It is proposed that the school will be held in the first year at Puri and will begin from 23-5-1949 to 10-7-1949. Arrangements are being made to accommodate trainees in the Puri College Hostel. Lectures will be given in the College building itself. The trainees are expected to abide by the rules and discipline of the Camp. Ordinarily they will be called upon to devote half an hour every morning for physical exercise. After tea and tiffin they will be put in for one hour for productive manual labour, e.g., spinning, gardening, etc. They will have to attend lectures for about 4 hours on Co-operation, and allied subjects. One hour will be set apart for play and recreation. The evening will be devoted to debates and other discussions. In course of the camp they may have to go out twice to some rural areas to study conditions of rural life. Sundays will be treated as holidays and no other leave will be allowed on other days except for genuine reasons.

Candidates applying for the training should fill in the prescribed application form which may be had either from the Registrar or from the nearest Co-operative Office. Each applicant shall have to be sponsored by an M. L. A., District Board Member or some influential local gentleman who should be able to certify that the candidate has genuine interest for social work in public life, that he is likely to stick to the discipline of camp life and to undergo the full course. At the end of the session a certificate will be issued to the trainee showing the fact that he has received the particular training.

It is intended that a continuity of association will be attempted to be maintained between the past and present members of the Summer School by a sort of Union Conference every year. Usually this ceremony will be included in course of

the celebrations of the "International Co-operative Day" and it is intended that there will be an old boys' corner in the Orissa Co-operative Journal both in English and Oriya.

Applications for admission to the School will be received up to 30th April each year. There will be a Selection Committee consisting of the Registrar of Co-operative Societies, Orissa and the Village Welfare Officer who will interview the candidates at convenient centres to decide about their suitability for admission.

The Summer School will be under the direct supervision of a Committee consisting of the following gentlemen :—

- (1) Hon'ble Sri N. Kanungo, Development Minister .. *President.*
- (2) Sri J. Mahapatra, Registrar of Co-operative Societies, Orissa .. *Secretary.*
- (3) Sri B. B. Banerjee, Village Welfare Officer .. *Camp Superintendent.*

Lectures will be given on the following subjects :—1. How to organise a Society. 2. How to keep accounts of a Society. 3. Structure of Co-operative Movement in Orissa. 4. General exposition of Co-operative Societies Act and Rules. 5. A general discussion on model by-laws. 6. The actual working of the different types of co-operative societies. 7. Principles of Co-operation. 8. Co-operation Abroad. 9. Co-operative Marketing and elimination of the middle-men.

As regards the lectures it is expected that the teachers of the Orissa Co-operative Institute will keep the trainees engaged for about 2 hours every day where they will teach them elements of Co-operative Accounting, Book-keeping and Co-operative Law including Auditing. The remaining 2 hours will be set apart for theoretical lectures by experts and gentlemen of repute from outside. The following gentlemen will be requested to deliver the number of lectures stated against their names in course of the present session :—

- Sri J. Mahapatra, Registrar of Co-op. Societies, Orissa* : 12 lectures on "Principles of Co-operation, History, Development and present state of Organisation in the Province."
- Sri B. B. Banerjee, Village Welfare Officer* : 14 lectures on "Introduction of Co-operative and Corporate ideas in village life and Co-operative development of social work."
- Sri R. N. Dwivedi, Senior Marketing Officer* : 14 lectures on "Co-operation as applied to Agricultural Marketing, with special reference to American conditions."
- Sri A. P. Panda, Deputy Registrar of Co-op. Societies* : 14 lectures on "Organisation of Cottage Industries on Co-operative Model and prospect for such in Orissa."
- Sri G. B. Singh, Director of Veterinary Services, Orissa* : 3 lectures on "Co-operation as applied to development of Cattle Wealth, Poultry breeding and Dairying."
- Sri R. P. Padhi, Director of Agriculture, Orissa* : 3 lectures on "Co-operation as applied to Farming and Agricultural Improvement."
- Sri G. N. Mitra, Deputy Director of Fisheries, Orissa* : 5 lectures on "Development of Fishery Wealth of Orissa on Co-operative Lines."
- Lt-C. B. N. Hajra, Director of Health, Orissa* : 5 lectures on "Value of Public Health activities on Co-operative model."

In addition men of outstanding repute will be requested to deliver extra lectures outside the curriculum.

CO-OPERATIVE EXPERIMENTS IN RURAL BANKING

By

N. SATYANARAYANA,

President, Alamuru Co-operative Rural Bank.

India is a land of villages. Ninety per cent of the population live in villages and seventy five per cent of them have agriculture as their occupation. Just as any other industry, agricultural industry requires capital. But the return of capital invested in agricultural industry is always precarious and uncertain as the ryots have to depend entirely for the harvest on the vicissitudes of weather. Twenty-three per cent of the total area is irrigated by canals, tanks and wells, while seventy-seven per cent has to depend upon rains. The cultivators have to borrow constantly and pay high rates of interest on their borrowings as their repayments are always dependant upon favourable monsoon. Annually the ryots have to borrow for their agricultural operations from the local merchants or sowcars. Instead of paying money, the sowcars generally supply seed, manures agricultural implements and other requirements of the ryots and take hold of their produce when it is harvested.

The sowcar in the village plays a triple role so far as the agriculturists are concerned. Firstly, as a money-lender, he lends money at high rates of interest for his agricultural operations and other activities. Secondly, as a shop-keeper, he supplies consumers' goods and other agricultural requirements and thirdly, as a merchant he purchases their produce at lower rates and sells them at a higher price. As a money-lender, as a shop-keeper and as a merchant, he dictates his own terms to the agriculturists. He takes commission at every stage on terms favourable to himself. The ryot has no option. He has to depend entirely for his finances on the sowcar. He must purchase all his requirements and needs from the same person. He has to sell his produce to him alone, as there is no other organised agency in the village to safeguard his interests. So, the agriculturist in the village is almost a bond slave to the sowcar and he cannot get out of his clutches. The sowcar is in an advantageous position in these three transactions and the ryot is helpless and exploited. Hence he is always a debtor to the sowcar. As the veteran co-operator, Mr. Darling, has said "The Indian agriculturist is born in debt, lives in debt, dies in debt, and bequeathes debt." Even though the ryot now and then gets bumper crop, he cannot enjoy the fruits of his labour, as he has to surrender all his crop to the sowcar for the debts he contracted in the years when there was failure of crop. Hence agricultural industry has been always a losing concern—a deficit economy. The ryot lives in a vicious circle. If the ryot is to be saved, he must be rescued from the clutches of the sowcar.

Co-operation is the only hope and salvation of the agriculturists in the world. Raiffeisen, the father of co-operation in Germany, organised a century ago, agricultural banks for the relief of the agriculturists. His example was copied in all the civilised countries in the world and agricultural banks were started for the relief of the agriculturists on Raiffeisen Model.

The Government of India also adopted the Raiffeisen method of co-operation in this country at the beginning of this century and started co-operative societies. During the last four decades co-operative movement spread throughout the country in all provinces under the control of the Government. It had no spontaneous growth as in other countries. It is fostered under the protecting wing of the State. It is nurtured and developed by the departmental officials all along like flowers in a show pot. Hence, it has not taken deep root. It has only a stunted growth. Unless the movement is spread in villages according to the genius of the race, it cannot thrive and develop on right lines. The progress of the movement over the last half a century is not at all encouraging. In the seven lakhs of villages in India, there are at present only one lakh of societies. Out of a population of thirty crores in this country, there are only, seventy lakhs of members in the various co-operative societies. The working capital in several societies is only Rs. 700 crores while the agricultural debt is Rs. 1,200 crores according to the estimate of the Banking Enquiry Committee.

Now the leaders of people are holding the reins of the Provincial and Central Governments. We are no longer under the tutelage of foreign Government but living in Free Country ruled by the representatives of the people. There is immense scope for the future development of co-operative movement for the resuscitation of the village economy under the wise guidance of the leaders of Free India.

The movement must be removed out of the old ruts and a new orientation must be given to foster the movement on right lines. A country-wide campaign must be undertaken for the teaching of the gospel of co-operation. The movement must be started on different lines. Unlimited liability must be removed. When the Co-operative Act was on the anvil of the Imperial Legislature in 1904, the late lamented Gopala Krishna Gokhale voiced forth the opinion of the agriculturists in these strong words, "Unlimited liability is a principle which our ryots in many parts of Rural India can scarcely be able to understand. Insistence on such a principle would keep away from the new societies these very classes whose help and co-operation would be indispensable". These are the prophetic words of a great leader. This is true to-day as it was when these words were uttered. Unlimited liability is an unnatural growth in this soil. To-day the weakest link in the co-operative chain is the unlimited liability society in the village. The majority of the village societies are in a moribund condition and they are in a state of suspended animation.

The economic depression and the slump in agricultural prices (nearly for a decade from 1929 to 1939) brought these societies to the edge of ruin as the ryots lost their repaying capacity and consequently overdues mounted up. The second world war gave a filip to the agriculturists and the societies are now one by one reviving. It is quite necessary that these should be brought back to gear and put in motion. The weakness of the structure lies in the weakness of the foundation. The first attempt in the programme of rehabilitating rural economy must be the rejuvenation of village co-operative credit society. The present structure of the credit movement in the country is pyramidal with the primary credit

society at the base, the Central Bank at the middle and the Provincial Bank at the apex. Such a structure can be sound and stable only when the village primary society is broad based on solid foundation.

The official policy, one society for one village, is quite unsound and uneconomic. There is a need for reorganisation of societies on a wider basis. There is a distinct advantage in extending the jurisdiction a one village society to more than one village because it is possible to check the factious tendency which is an unfortunate feature of village life to-day. An enlargement of the area will afford societies a wider scope for the selection of proper men to carry on their business efficiently, without caste and communal prejudices and local patriotism. They will be conducive for better supervision than the present disorganised and scattered societies. The big society for a group of villages will have sufficient margin to maintain its own staff out of its own resources. Taking into consideration the above facts, there is need for a comprehensive programme for the expansion of village co-operative societies not by their multiplication in numbers but widening their scope so as to bring in every village. The soundness of the co-operative structure ultimately depends upon the soundness of the village society. Hence instead of the present weak single purpose societies, there must be started multipurpose societies for groups of villages throughout the province comprehending the various aspects of village life. The life of an agriculturist is not compartmental. It is a comprehensive whole. He cannot run for finance to one society, for supply of consumer goods to another, for marketing his produce to a third, for his agricultural implements to a fourth, for long term loans to a fifth, for cattle breeding to a sixth, for housing to a seventh, for milk supply to a eighth and so on and so forth. There must be only one society to supply all the basic needs of the agriculturists so that he may not be driven from pillar to post to meet all his requirements. The sowcar in the village is able to meet all his requirements, by giving him finance for his agricultural operations, by supplying him consumers goods all the year round, and by marketing his produce after the harvest. The multipurpose co-operative society must stand exactly in the same position as the village sowcar, to serve all his needs for his benefit but without the motive to exploit him at every turn. The society must be economically strong to maintain itself out of its own resources but not depend upon doles given by Government or any outside agency.

If a net work of societies is organised throughout India on limited liability basis for groups of villages, one society will be enough for 7 villages on the average; one lakh of well trained graduates can be absorbed as secretaries of these Rural Banks. These secretaries can guide the destinies of these villagers as their friends, philosophers and guides and build up rural leadership. There are at present more than one lakh of societies throughout the length and breadth of India but they are not self-supporting. They are scattered countrywide without proper supervision and control. If the present weak societies are reorganised on broad basis covering 7 lakhs of villages they can finance the agricultural industry to the advantage of the ryot, supply him consumers' goods at a cheaper cost and market his produce for better price. The multipurpose

co-operative societies can, not only improve the agricultural industry but also develop cottage industry for the advantage of the ryot. Instead of 70 lakhs of members 7 crores of families can be roped into the co-operative movement to the salvation of one and all in this country. Spinning wheel can be introduced in every home and the dyeing and weaving industry can be revived. These multi-purpose co-operative societies can run also model agricultural farms for joint cultivation and collective farming.

If the co-operative movement is to be popularised on right lines by the National Government, there is every scope for improving the agricultural industry. These multipurpose co-operative institutions can help the ryot for growing more food, for helping the villager to produce more cloth and giving habitation to one and all who come under its protecting wing.

Co-operative societies have developed in Madras Presidency just on the same lines as they are developed in other provinces. This province has 50,000 villages with a population of 5 crores. The movement spread during the last 40 years only to 12,000 villages and the membership in all societies is only 8½ lakhs. Nearly half the number of village societies are working at a loss. The All India Co-operative Planning Committee recommended to the Government that at least 50 per cent of the villages and 30 per cent of the population must be served by co-operative societies under a comprehensive scheme of expansion in the next 15 years. If this object is to be achieved in our province, it will take a century and a half to reach the goal if we are to progress at this rate. The right course for the expansion of the movement is not to thrust the co-operative societies on each village without proper teaching of the principles of co-operation, but extend the operation of the existing societies to wider areas with multipurpose objects. We have already the example of the expansion of the primary Land Mortgage Banks and Marketing Societies in the Province. These societies are organised in convenient centres with proper men to manage and the whole province is covered with a net work of these societies now. Whoever wants to join the societies for their benefit, they are admitted freely and voluntarily without any compulsion or coercion. Hence these societies are progressing independently on right lines serving the needs of the population and they are able to stand on their own legs by maintaining their own staff out of their own funds or through the help of their financing agencies in the early stages. This is not the case with the primary co-operative credit societies in villages. Out of their slender resources and low margin of interest they are unable to maintain their own staff. Honorary workers are not always available to work these societies for all time during all the year round. Any attempt to revive the societies by lending staff from outside will not help their natural growth but leads to dependance on and dictation from outside agency. The present system of one society for one village is tried for nearly half a century and it is found wanting. A new attempt may be made to reorganise the societies on sound lines by widening their area of operation and changing the liability from unlimited to limited and substituting single purpose with multipurpose objective. This will encourage all classes of people to join

the society without fear or hesitation and these multipurpose objects can be successfully worked by the appointment of trained, competent men as paid staff.

With a view to carry out an experiment successfully an attempt was made at Alamuru in East Godavary by starting on 1-2-1938 a multipurpose society (Rural Bank) for a group of villages. The progress made by this society during the past one decade will reveal the potentialities of the institution in rehabilitating the village life from all aspects.

The primary societies in this area were started in 1919 one for each village after the first world war. From 1919 to 1929, the progress of the societies was very encouraging and honorary workers came forward to work these societies enthusiastically. It was a boom period. There was inflation after the first world war. Prices of foodgrains were high. Land values increased. People borrowed freely and invested large sums on improvement and purchase of land. The Co-operative Societies were registered without proper investigation. Loans were sanctioned by the Provincial Banks and Central Banks merely for the asking. Honorary workers in the villages were jubilant to expand the business of these societies, as honorariums were paid out of profits. But suddenly the country was caught in the grip of a depression from 1929 to 1939. The fall of prices for agricultural commodities was very steep. Land values also fell considerably. The ryots lost their repaying capacity. Most of the loans became overdue and proved doubtful. Further advances from the Central and Provincial Banks were stopped. Half a dozen societies in this area were liquidated. There was scare of unlimited liability, although in none of the societies unlimited liability was enforced. The unrecoverable loans were written off from Bad Debt Reserve of the Central Bank. Honorary workers were not coming forward to shoulder the responsibility of the societies, as the work in the societies was mostly of arbitration, execution and liquidation. All these causes led to the break down of the machinery of credit co-operation not only in this locality but in many parts of the Province during this period of depression.

With a view to resuscitate the movement and give a new orientation, the co-operators in this area approached the then Congress Government in 1938 with a request to register a special type of co-operative society with multi-purpose objects with limited liability for a group of villages. The Hon'ble Mr. V. V. Giri the then Minister-in-charge for co-operation permitted the Registrar of co-operative societies to register a society at Alamuru extending its area of operations to 10 villages within a radius of 5 miles of Alamuru, with the triple object of better farming, better business and better living. The Society was registered on 1-2-38 and it was opened by the then Revenue Minister Hon'ble Sri T. Prakasam Panthulu on 27-2-38.

A decade has already passed and this is a sufficiently long period to survey its work, study its results and form an estimate of the progress of the movement.

The society was registered under the Co-operative Societies Act in the year 1938 with No. 379 as Alamuru Co-operative Rural Bank Ltd., Alamuru. The following are the 12 villages at present within its area of operation,

1. Alamuru.	7. Kalvacherla.
2. Chintaluru.	8. Penikeru.
3. Pedapalla.	9. Navabupeta.
4. Angara.	10. Thatapudi.
5. West Khandrika.	11. Mandapeta.
6. Jonnada.	12. Vedurumudi.

All the above villages are within a radius of five miles of Alamuru. They have a population of forty thousand with 20,000 acres of *ayacut*. All the villages are deltaic, fed by the Godavary Eastern Delta canal system. Paddy is the Chief Food Crop. Sugar-cane and Plantain plantations are the commercial crops grown in these villages. Tobacco is raised in the Lanka Land of villages adjoining the River bund. The villages are contiguous with easy means of communications both by roads and canals.

Membership:—There is free admission of members of all castes and communities and of all vocations. Membership is on voluntary basis. Persons are free to join and leave the society at their discretion. But when once a person is admitted as a member, his share-capital cannot be refunded within one year. Minors may also be admitted as members through their legal guardians if they happen to be coparceners and if immovables are offered as pledge to the Bank. A member is admitted on payment of Re. 1 towards share-capital and 1 anna towards entrance fees. Every application for membership is disposed of by the Board of Directors. They have the power to grant admission or refuse it without assigning reasons. This provision is made with a view to reject the application of undesirable persons. Every member must give a pledge at the time of his admission that he will be loyal to the society and promote its objects without showing any distinction of caste, creed or colour but work for promoting thrift, self-help and mutual aid. The liability of a member is limited to the extent of his share-capital only. The society gained popularity in the area and there is a steady increase in membership from year to year which can be seen from the following table:—

Progress of membership.

Year.	Admitted.	Removed.	On the last day of the year.
1937-38	102	7	95
1938-39	146	8	233
1939-40	287	55	485
1940-41	741	90	1,275
1941-42	465	215	1,525
1942-43	588	226	1,887
1943-44	162	151	1,898
1944-45	224	80	2,942
1945-46	632	119	2,555
1946-47	442	45	2,952
1947-48	617	40	3,529
(Up to 31-12-48)			3,749

Membership—Villagewar.

Alamuru	... 920	Thatapudi	... 267
Chintaluru	... 186	Pedapalla	... 240
Mandapeta	... 126	Kalvacherla	... 28
Navabupeta	... 167	Vedurumudi	... 212
Mulastanam	... 209	West-khandrika	... 451
Jonnada	... 314	Angara	... 465
Penikeru	... 164		

There are 3,749 members by the end of December, 1948, i.e., by the end of half-year 1948-49. Of these, 3,083 are males and 666 are females. Ladies are freely admitted in the society and most of the women are from the field labour classes. They are joining the society for purchase of foodgrains and cloth. They make repayments in the transplantation and harvesting seasons by purchasing thrift labels and making payments out of their savings. Generally the loans to these members do not exceed more than Rs. 20 in the year.

Of the 3,749 members:—

Brahmins	... 300	Native Christians	... 42
Kammas	... 285	Mohammadans	... 33
Kapus	... 396	Harijans	... 1,684
Settibiljis	... 535	Other castes	... 433
Reddis	... 41		

The single majority community is Harijans. The next majority community is Settibiljis. Both Harijans and Settibiljis are landless labourers.

Membership according to occupation.

Agriculturists	... 3,302
Non-agriculturists	... 309
Mixed	... 138

Out of 3,302 agriculturists:—

Non-cultivating landholders	... 339
Cultivating landholders	... 364
Tenants	... 287
Field labourers	... 2,312

The large expansion of membership is due to admission of landless agricultural labourers. Separate societies were organised for the agricultural labourers but they were not adequately financed and most of the Field Labour Co-operative Societies in this locality are in a moribund condition. Ninety nine percent of these labourers are illiterates. With a view to improve the economic condition of the lowest strata living in villages, the Rural Bank is admitting these members freely without segregating them by starting separate societies. Not only the economic condition is improved

but their social status is raised by the association with the other members of the Bank. One man one vote is the rule of co-operation. Hence, there is democratic control in the management of the society. Doubts were expressed in several quarters that landless community will not be freely admitted in the limited liability societies and loans will not be sanctioned freely to these members. This is only an erroneous misapprehension. The majority of the members of the society are landless labourers. They are elected to the Board of Management and they take part in the management of the affairs of the society. They are granted loans according to their repaying capacity. Hence all misapprehensions that moneyed classes only will have admission in limited liability societies is cleared by the large admission of Harijans and other landless labourers in the Bank.

The individual maximum borrowing limit is fixed at Rs. 2,000. The borrowing power of the individual is 10 times the share-capital. Hence, each member can contribute Rs. 200 maximum share-capital. The minimum is only Re. 1. This has given scope for all grades of people to contribute towards share-capital freely without any difficulty. The share-capital must be paid in one lumpsum at the time of borrowing. There are no arrears in share-capital.

Progress of share-capital.

Year.	Received.	Paid.	On the last day of the year.
			Rs.
1937-38	750	5	745
1938-39	2,472	69	3,148
1939-40	3,737	195	8,690
1940-41	4,415	978	12,068
1941-42	2,987	1,827	13,228
1942-43	2,560	2,692	13,106
1943-44	3,477	1,625	14,957
1944-45	5,838	2,053	18,799
1945-46	12,285	5,094	25,991
1946-47	10,323	2,422	33,892
1947-48	18,926	2,355	50,173
(Up to 31-12-48)	12,813	4,215	59,771

The total share-capital by the end of December 48 is Rs. 59,771. Of this amount, a sum of Rs. 5,050 is invested in the Central Bank at Ramachandrapuram, Rs. 300 in the Reserve Bank, Rs. 50 in the Alamuru Co-operative Stores, Rs. 1,000 in the Madras Provincial Handloom Weavers' Society, Rs. 500 in the Godavari Co-operative Central Stores and Rs. 200 in Government Defence bonds. The total amount invested is Rs. 8,300 and the balance of Rs. 51,471 is utilised in the working capital of the Bank.

Borrowings:—The maximum borrowing limit of the Bank is fixed at 8 times the paid up share-capital plus Reserve Fund,

		Rs.
Reserve Fund	...	24,056
Paid up share-capital	...	59,771
Total	...	83,827
		8
M. B. Limit	...	6,70,616

Deposits:—Since the starting of the Bank, it is managing its business mainly out of its own deposits without borrowing from the Central Bank. But the money market is showing signs of tightness this year. Hence, the Bank has to approach the Central Bank for finance. This Bank is affiliated to the Ramachandrapuram Central Bank and has borrowed to the extent of Rs. 99,999 during this year. The bank is pledging its ever-continuity bonds for obtaining its loans from the Central Bank. It is enjoying a cash-credit accommodation of Rs. 50,000 also from the Central Bank. The society is receiving deposits from all classes of people both members and non-members. Amounts of deposits as on 31-12-48 :—

		Rs.
Members' fixed deposits	...	1,21,415
Non-members' fixed deposits	...	1,82,820
Total	...	3,04,235

Progress of fixed deposits.

Year	Members.	Non-members.	Total.
			Rs.
1937-38	8,575	1,665	10,240
1938-39	1,000	10,665	11,665
1939-40	—	20,855	20,855
1940-41	2,000	26,227	28,227
1941-42	3,900	31,142	35,042
1942-43	20,200	72,590	92,790
1943-44	23,405	88,050	1,11,455
1944-45	30,600	1,18,650	1,49,250
1945-46	54,130	1,30,355	1,84,485
1946-47	88,055	1,42,265	2,25,820
1947-48	1,21,605	2,19,325	3,40,930
(Up to 31-12-48)	1,21,415	1,82,820	3,04,235

The total working capital consisting of borrowings from members, and non-members, from Central Bank and other seasonal deposits is Rs. 5,00,000.

		Rs.
The maximum borrowing limit is	...	6,70,616
Amount borrowed	...	5,00,000
Margin	...	1,70,616

Progress of Working Capital.

	Rs.		Rs.
1937-38 ...	16,835	1943-44 ...	1,94,548
1938-39 ...	53,255	1944-45 ...	2,28,503
1939-40 ...	75,960	1945-46 ...	2,81,279
1940-41 ...	1,21,037	1946-47 ...	4,15,169
1941-42 ...	1,18,490	1947-48 ...	5,07,371
1942-43 ...	1,54,132	(Up to 31-12-48)	4,91,770

Doubts were expressed at the starting of the Bank that the society cannot obtain deposits and get loans from the Central Bank since the liability is limited. Members and non-members are depositing their surpluses in the Bank having confidence in its efficient management. Although the society is working in rural area and its liability is only limited, it has gained popularity and confidence among the investing public, as can be seen from the large amounts of deposits received year after year. This will dispell the fear among the doubting co-operators that limited liability societies cannot secure deposits. The urban banks which are limited liability societies, have surplus deposits all over the country. Rural Banks also if properly organised and worked can gain the confidence of the public and attract deposits. Most of the unlimited liability societies in the villages are entirely depending upon the financing bank without attracting any local deposits.

From a close study, it will be seen that the agriculturists are now, owing to inflation, able to save something out of their agricultural incomes. This will be said only in the case of large land-owners i.e., ryots who own more than 10 acres of land. The ordinary self cultivating ryot owning a few acres is still obliged to make a hand to mouth living as both the cost of production and the cost of living have abnormally increased and is not able to save anything. The condition of labourers is a little better as can be seen by their savings which are secured by the Bank by the sale of thrift labels.

Loans:—The Bank has been sanctioning loans to all its members fixing the maximum amount of each according to the repaying capacity of each for various purposes. Land-owners are given cash-credit on first mortgage of unencumbered property on ever continuity bonds up to 50 per cent of the value of their property. As the society is working on limited liability even rich people are freely joining the institution to obtain cash-credit which is given to the extent of Rs. 2,000 being the limit fixed by the Registrar. The Bank has sanctioned such cash-credits to its members to an extent of Rs. 2 lakhs. These cash-credits are freely being used for purchase of seed, cattle and manures and for other temporary purposes whenever the land-owner stands in need of cash. Even small amounts are disbursed and accepted as and when required by the member on the security of ever-continuity bonds without frequent recourse to loan applications. Similar cash-credit has been sanctioned by the financing bank on pledge of ever-continuity bonds to meet the urgent demands of the Rural Bank. Ever since the starting of this bank, the financing bank has been

freely advancing the loans on pledge of ever-continuity bonds after close scrutiny. The limited liability basis of the Rural Bank has never stood in the way of obtaining finance from the Central Bank owing to the introduction of the system of ever-continuity mortgage bonds.

Tenants are given surety loans on the strength of the lease deeds and credit accommodation is freely offered to them for their agricultural operations. Loans are sanctioned to these tenants on pledge of standing crop up to 10 per cent of the estimated value of such standing crop. Artisans and petty traders are given short term loans on surety on condition that they make regular payments to the Bank out of their savings. Landless labourers are given credit for purchase of cloth and rice provided they credit their savings with the Bank by the purchase of thrift labels. Members are also sanctioned joint loans for joint purchase of food stuffs, other domestic requirements as well as of cattle, manure and for other agricultural improvements if a joint loan application is made by not less than five and not more than twenty members. With a view to help the agriculturists to market their produce at favourable time, loans are given on pledge of produce stocked in godowns with proper insurance safeguard.

Loans are also sanctioned on tangible securities for purchase of motor-lorries, buses, machinery such as oil mills and water pumps repayable in not more than 3 to 5 years. Owing to the financial facilities given by the Bank, bus service is opened from Alamuru to Rajahmundry and from Alamuru to Kakinada which are the two centres of trade and public activity in this district.

Loans issued during the half-year classified according to purpose.

Purpose.	No. of loans.	Amount. Rs.
Domestic expenses ...	206	34,009
Cultivation expenses ...	88	32,188
For clearing		
Petty debts ...	76	52,182
Petty Trade ...	72	84,276
Construction of and Repairs		
to Houses ...	25	21,359
Purchase of land ...	23	34,620
Medical Aid ...	2	150
Purchase of cattle ...	20	5,285
Artisans appliances ...	1	100
For education ...	1	100
	604	2,64,289

PROGRESS OF LOANS.

Particulars.	1937-38		1938-39		1939-40		1940-41		1941-42	
	No.	Amount. Rs.	No.	Amount. Rs.	No.	Amount. Rs.	No.	Amount. Rs.	No.	Amount. Rs.
1. Crop and Produce	19	2,615	60	6,336	62	10,183	66	7,796	44	81,356
2. Gold loans	36	6,758	137	17,243	60	6,992	20	1,994	...	...
3. Mortgage loans	20	6,693	119	28,657	332	55,276	528	72,991	580	65,793
4. Surety and Joint loans	...	...	...	...	14	1,044	754	13,153	787	18,439
5. Loans on the security of deposits	...	...	...	...	...	...	1	150	1	300
6. Other loans	...	...	...	...	...	...	1	309	2	550
7. Defence bonds security loans	...	...	...	...	...	...	...	...	...	...
Total	75	16,066	316	52,236	468	73,495	1371	96,393	1414	93,281

Particulars.	1942-43		1943-44		1944-45		1945-46		1946-47		1947-48	
	No.	Amount. Rs.	No.	Amount. Rs.	No.	Amount. Rs.	No.	Amount. Rs.	No.	Amount. Rs.	No.	Amount. Rs.
1. Crop and Produce	27	24,116	21	10,650	...	12,100	19	9,950	12	8,002	20	9,107
2. Gold loans	...	...	...	...	29	53,593	...	...	9	3,675	2	375
3. Mortgage loans	466	47,653	372	45,346	238	89,721	397	1,01,955	607	1,37,625	692	2,20,133
4. Surety and Joint loans	1087	23,557	508	43,328	467	...	571	1,09,394	656	1,35,679	664	1,72,348
5. Loans on the Security of Deposits	...	...	...	...	...	...	3	1,800	9	3,100	25	10,875
6. Other loans	1	85	...	...	...	...	...	...	...	...	2	3,800
7. Defence bonds security loans	...	...	1	800	...	...	...	...	...	...	...	...
Total	1581	95,411	901	1,00,124	734	1,55,414	990	2,23,099	1293	2,86,081	1405	4,17,138

From the progress of loans sanctioned year after year, it can be seen that loans are sanctioned to all classes of people high and low, rich and poor according to their repaying capacity. No member is given more than Rs. 2,000. Apart from loans issued on mortgage and surety, joint loans are given to landless labourers for purchase of food grains and cloth. 102 loans for an amount of Rs. 33,355 were sanctioned to landless labourers for joint cultivation, for purchase of seed, manure and agricultural implements. This amount includes also loans issued for food grains. Up to 1-12-48, 160 loans were sanctioned for an amount of Rs. 14,846 for joint cultivation and for purchase of food grains, mainly to Harijans and landless labourers. These loans are cleared by the labourers out of the purchase of thrift labels sold by the Bank collection agents. In the year 1947-48 an amount of Rs. 32,411 was collected by sale of thrift labels. During this half-year the collection agents were able to collect Rs. 26,000 from the savings of the members. The Bank has employed three collection agents who daily visit the Harijan members at their quarters in the villages and collect savings out of their daily wages. The savings of agricultural labourers during the half-year ending 31-12-48 are remarkable. This is due to the introduction of prohibition. Both men and women of this community were addicted to drink. When this was put a stop to by the introduction of prohibition in this District during this half-year, the money which was formerly spent away for drink is now saved and deposited in the Bank.

Rate of Interest :—The Bank is accepting deposits till 31-12-48 at $2\frac{1}{2}$ per cent for one year, 3 per cent for 3 years and $3\frac{1}{2}$ per cent for 5 years. But the money market has become tight now. So, we had to enhance the rates on deposits to 3 per cent for 1 year, $3\frac{1}{2}$ per cent for 3 years and 4 per cent for 5 years. The Bank is paying $4\frac{1}{4}$ per cent for all loans taken from the Ramachandrapuram Central Bank. The lending rate to the borrower is $6\frac{1}{4}$ per cent for all loans.

Profits :—The Bank has been working with profits since its starting. The profits earned by the Bank during the last one decade are shown below —

	Rs.	A.	P.		Rs.	A.	P.
1937-38	67	3	6	1943-44	59	8	0
1938-39	651	4	9	1944-45	1,039	14	0
1939-40	549	12	0	1945-46	5,159	8	0
1940-41	1,564	4	0	1946-47	5,104	0	0
1941-42	1,578	1	0	1947-48	12,128	11	0
1942-48	8,305	4	0				

Except in the year 43-44 Dividend was paid out at $6\frac{1}{4}$ per cent. When the old Alamuru Credit Society was amalgamated with the Rural Bank, it had a Reserve Fund of Rs. 15,000; the Bank earned during the last one decade another Rs. 15,000. The total amount of Reserve Fund will thus amount to Rs. 30,000.

The Bank is now located in the old building of the Alamuru Credit Society. The Bank purchased a new building which is adjoining the old building at a cost of Rs. 10,000 during the year 47-48. The Bank intends to construct godowns shortly in the old compound for storage of food grains, manures and implements required for the members.

Establishment :—The Bank is maintaining at present 1 Secretary, 1 Accountant, 1 Ledger Clerk, 1 Loans clerk, 1 Shroff, 2 Collection Agents, 1 Peon and 1 Night watcher.

The salaries of the staff as on 31-12-48 are :—

	Rs.	A.
Secretary	75	0
Accountant	67	8
Ledger Clerk	50	0
Loans clerk	45	0
Shroff	45	0
1st propagandist	60	0
2nd propagandist	57	8
Peon	35	0
Night-watcher	15	0
	450	0

The Bank is paying one anna in the rupee for the Provident Fund contribution of the staff. The Bank adopted service rules. Audit is done by the co-operative department and the Bank is charged audit fees year after year according to rates fixed by the Registrar. The Bank is able to maintain its establishment and meet all its charges all these years without asking for subsidy or any aid from Government or from the financing bank.

Non-Credit activities :—The main non-credit activities of the Bank are four.

1. Co-operative farming.
2. Rice depot.
3. Cloth depot and
4. Timber depot.

The basic articles required for the majority of our members are food and clothing. All the villages in our area are deltaic. Paddy is our main crop. There is no difficulty for securing paddy to supply to the landless labourers, and others who are engaged in other occupations. To the producers, the Bank is supplying seed, manures and agricultural implements. To the agricultural labourers, the Bank opened rice and cloth depots. Before the introduction of rationing the Bank was purchasing paddy and stocking for supplying to the agricultural labourers. Generally the agricultural labourers are given wages in coin in our area. They have work for 9 months in the year. For the remaining 3 months they have to depend upon loans from the land holders. They borrow at high rates of interest from the land holders or take paddy from them on condition that they serve the land holders in the transplantation and harvesting seasons at lower wages. Thus they undersell themselves to meet the expenditure during the slack season, when they have no work. Owing to their dependance for their supplies during the slack season, they have to serve as bond slaves to their masters all the year round. With a view to relieve them from this slavery, the Bank promulgated a scheme for financing and supplying foodgrains to these agricultural labourers during the slack season. All earning members in the family are admitted as members in the society. They are granted joint loans for purchase of foodgrains enough to meet the family demand for two or three months. These loans are cleared from out of their savings of their daily wages when they

have work. It is impossible for them to make any lumpsum payments out of their daily earnings.

The Bank promulgated a scheme of thrift and savings campaign by the sale of thrift labels of several denominations ranging from one anna to one rupee among agricultural labourers. The collection agents of the Bank daily visit the Harijan quarters and make collections. Hitherto agricultural labourers were earning from annas 6 to annas 8 a day; now their earnings have increased to Rs. 1-8-0 or even Rs. 2 a day. The cost of living has risen not twice but thrice. These labourers have enough work for 6 months in the year, especially during the transplantation and harvesting seasons. There will be occasional work for three months more while for the rest of the period i. e., 3 months there will be no work at all for them. It is with a view to help these landless agricultural labourers during the slack season that the Bank is sanctioning loans in kind by way of supply of rice and cloth. These loans are paid back in cash by the members from out of their thrift collections. The petty sums daily collected from the members by the collection agents of the Bank have enabled them to clear their loans. Otherwise their savings would have been misspent on drink or other wasteful expenditure. Now after prohibition, these savings are really encouraging. They are able to clear off their old debts and spend more money on their food and apparel.

After the introduction of rationing, we have to close our food-grain depot and the local co-operative stores is supplying rice to our members.

The landless labourers are exploited by local sowcars and hawkers as regards supply of cloth also. As these labourers cannot afford to pay at one time the cost of wearing apparel, they take cloth on condition that they pay double the amount at the end of the year. Generally hawkers from Nellore District come to our area and carry on this trade year after year. Their methods of collections are very rigorous and cruel. They use the same coercive methods as used by the Kabulees who make advances in towns to Railway employees and scavengers.

With a view to stop this usury, the Bank opened a cloth depot to supply cloth to landless labourers and other members of the society. Other members make outright purchase by paying cash. Agricultural labourers are supplied cloth twice a year during Pongal and Dasara festivals. Groups of families take these joint loans and pay for the cloth required for them. The loans contracted by them are paid out of the sale of thrift labels. These members find it quite easy to obtain the cloth required and pay off their debt without trouble and harassment from the outside usurers.

Progress of sale of thrift labels.

1940-41	Rs. 8,192	0	0
1941-42	5,224	0	0
1942-43	8,500	0	0
1943-44	6,969	14	0
1944-45	7,232	2	0
1945-46	5,926	2	0
1946-47	7,498	4	0
1947-48	32,411	10	0
(Up to 31-12-48)	36,221	9	0

Co-operative Collective Farming:—The Bank applied for lease of lanka lands in the middle of the river Godavary to organise collective farming and joint cultivation on co-operative basis. Hitherto these lanka lands were leased out to the highest bidders by the Government. Generally the rich ryots secured the lands in auction and enjoyed the income. They employ the landless labourers as coolies for the agricultural operations in these lands. Owing to the annual silting of lankas by high floods, these lands are very fertile and valuable and yield good commercial crops such as chillies, tobacco and cotton. There are good pasture lands also in lankas and the ryots use these lands for the grazing of cattle. The cattle are tended by labourers and the lands are cultivated by them. Even though the lands are cultivated by them and the cows are reared by them, they are denied the fruits of their labour. They work only as serfs in these lanka lands under the lease holders. With a view to save these labourers from the hands of the middlemen and improve their economic condition, the Bank secured Lanka lands from Government for joint cultivation and collective farming in the villages of Thatapudi, Jonnada and Mulastanam.

The Bank secured 500 acres in the above three villages at a fixed rental of Rs. 10,000. Harijans in these three villages are financed by the Rural Bank for raising seasonal crops and loans are sanctioned to these members on joint responsibility for purchase of seed, cattle, implements and for payment of Government rental. These lands are divided into plots consisting of 10 acres. Ten families are to jointly cultivate in each block and the Bank's propagandist will be supervising their work. Each group elects a head who is directly responsible to the Bank. The heads of the groups will organise work for the other members. The produce is marketed for the benefit of the members by the Bank. Not only commercial crops but also food crops such as pumpkins, water melons, cucumbers, onions etc., are grown. All these vegetables and food crops are enjoyed by the labourers and the surplus only is sold. The income on the commercial crops is enough to pay off the rental and advances made by the Bank. These labourers are good at tending cattle and they are maintaining good cows, as there is plenty of pasture land. Now the labourers are enjoying their milk as they are now the owners of their cattle.

Land, labour and capital are the essential factors for the development of agricultural industry. Lanka lands are secured by the Bank from Government. The Bank has enough capital from out of its own deposits and savings. There is plenty of agricultural labour in the locality. By linking up these three factors through the agency of co-operation, the economic condition of the agricultural labourers is very much improved. The Bank has been working this scheme from the last one decade. The Bank is advancing Rs. 25,000 for these labourers for their agricultural operations. The entire amount is collected out of the sale proceeds of several crops raised in these lanka lands. There is visible material advancement in the condition of these labourers. They are better clothed, better fed and better housed. The social status also is considerably increased as they are the owners of cattle and milch cows. For the ploughing of lanka lands in the season, the Bank has to purchase 20 to 30 pairs of cattle and keep them under

the control of these labourers. For the purchase of cattle, the Bank advances loans and after the season, they are sold away and the loan amounts are realised. Hitherto, they have no cattle of their own. Now as they are possessors of cattle, the caste ryots are seeking their help for ploughing their lands with their cattle. Labourers are not only earning money by lending cattle but their status is raised in the estimation of the ryots as their help is required by them in the cultivating season. Thus mutual co-operation is developed between the labourers and the caste ryots. Hitherto, they were mere serfs; now they are co-workers in the field of agricultural industry. The spirit of co-operation is developing among these labourers as can be seen in the construction of Ramamandirams in each locality inhabited by these Harijans by their joint efforts.

In Thatapudi, a Ramamandiram was constructed at a cost of Rs. 2,000 and it is a tiled building. Labour was contributed free and the housing materials were purchased out of their savings. The Adi-Andhras and Adi-Dravidas of Mulastanam constructed two tiled Ramamandirams at a cost of Rs. 4,000. The Adi Dravidas of Angara village constructed a Ramamandiram at a cost of Rs. 5,000. After their daily work is over, they assemble in these Mandirs and settle their personal accounts and their communal disputes. On festive occasions, they conduct Bhajans and Sankeerthans in these Mandirs. It is a delight to see their folk dances and their ballad singing in these Mandirs. These have not only become a rendezvous for these people to gather, but also centres of their recreation and adult education.

There is immense scope for developing their economic condition and social status if Government entrust more lanka lands to co-operative societies. Even though repeated representations were made to the Government for the grant of lanka lands to the Bank for organising collective farming for the benefit of these landless labourers, they are still hesitating to grant lankas without auction. The Government are still moving in the same old rut following the old bureaucratic methods. Instead of wasting lakhs of money for other purposes to the Harijan uplift, the Government must adopt as their future policy with a planning and a programme to lease out the Government lanka lands not to the capitalistic ryots but to landless labourers for co-operative farming through well managed co-operative institutions.

The Bank is conducting a timber and fuel depot for the use of the public as an agent of the Poverty Relief Service, Parantapalli. Rs. 20,000 worth of teak wood, bamboos and other housing materials are kept in the depot for sale.

Half a dozen cabinet makers have come to stay in the village and opened Karkhanas to prepare ready-made housing materials such as doors, windows, beams etc. Timber is supplied in the depot. The workers are given loans to purchase necessary materials from the market. Tables, chairs, almyrahs and other household furniture are prepared by these workers. Finance was also given for the purchase of auctioned war materials, such as iron, tin sheets etc., which are locally used for several purposes. These workers are

able to develop cottage industry in a small scale and maintain themselves by the financial assistance given by the Bank.

Help also is given to brick makers and they are working in batches preparing bricks for sale to local people. This is a local Industry which requires encouragement. The Bank is only granting loans to brick workers and realising them after they are sold. Loans were also given on pledge of ready stocks; as large stocks will be unsold till they are marketed.

Common Good Fund :—To fulfil the objects of our by-laws, we are utilising the Common Good Fund of our Bank for education, medical relief and sanitation. We are collecting public funds also for Rural Reconstruction work. A sum of Rs. 2,800 was collected by way of donations from public in the villages of the area of operation of our Bank. We are pooling our Common Good Fund and utilising the same for the purpose of propaganda and education. The total amount collected by way of donations and contributions from Common Good Fund to the common pool is Rs. 4,800. A sum of Rs. 872 was spent for scholarships to students studying in various schools. Monthly fees and examination fees are paid to the Head Masters of various schools where our students are studying. Encouragement is given to poor students who are the children of our members. A sum of Rs. 500 was spent for the purchase of stud bull to the Jonnada Co-operative Cattle Breeding Society. A sum of Rs. 1,800 was contributed for repairs and raising of bunds of the Nagula tank at Alamuru. A sum of Rs. 300 was contributed for the Co-operative library. A sum of Rs. 600 was contributed for subscribing to the daily newspapers both in English and in Telugu for maintaining a reading room in the Bank premises. A sum of Rs. 200 was contributed for the purchase of Homœo medicines to maintain a free Homœo Dispensary. The Bank is maintaining a water pondal for the public during summer.

The Bank purchased out of its General Funds a Radio set, at a cost of Rs. 500 with a battery as there is no supply of electricity in the village. The Radio is opened from 5-30 to 8-30 p.m. It is maintained from out of the Common Good Fund. Thus the Common Good Fund of the Bank is utilised during the decade for public benefit for the purpose of promoting education, sanitation etc.

To fulfil the objects in by-laws, the Bank is organising public meetings on all festive occasions and special occasions to carry on education and co-operative propaganda. District Agricultural Officers, Executive Engineers and Educational Officers are specially invited for attending and addressing meetings.

The Bank has opened savings and current accounts for public facility. We are honouring cheques and discounting bills. Thus the Bank is fulfilling its multi-purpose objects in this rural area.

The Bank has thus demonstrated in practice during the last one decade that co-operation is the chief instrument by means of which large programme of Rural Reconstruction can be carried on the basis of the twin principles of social and economic justice. Gradually as the Bank develops, we are confident that the efficacy of co-operation as a new force in the better ordering of Rural economic life will make itself felt through the service of paid and honorary workers joining hands together for the good of one and all.

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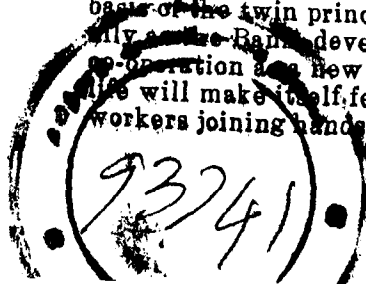
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OUR PUBLICATIONS

On Industrial Co-operatives are:—

- * Organisation of Industrial Co-ops. by J. B. Tayler. Price Rs. 1-8
- * Industrial Co-operation by J. B. Tayler ... Re. 1-0
- * Co-operative Management by Rewi Alley ... Rs. 2-0



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