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President:

SRI BHOGARAJU VENKATARATNAM.

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Paid-up Capital	... „ 17,34,700.
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Summary of Balance Sheet as on 30-6-'51.

Liabilities.	Rs.	*Assets.*	Rs.
Paid-up Share Capital ...	17,34,700	Cash on hand and balance with Banks ...	80,908
Reserve and other Funds...	28,61,242	Loans to Primary Banks ...	4,35,77,979
Debentures ...	5,08,77,100	Sinking Fund Investments...	81,37,780
Deposits, Loans and Overdrafts ...	10,08,275	Other Investments ...	46,65,859
Sundry Liabilities ...	3,57,122	Sundry Assets ...	7,36,118
Profit ...	3,60,205		
Total ...	5,71,98,644		5,71,98,644

M. DATTATRAYULU, B.A., C.A.I.I.B.
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THE INDIAN CO-OPERATIVE REVIEW

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1. Contributions are invited from advanced students and active workers in the co-operative field on aspects of co-operation with which the *Indian Co-operative Review* will deal from time to time.

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THE INDIAN CO-OPERATIVE REVIEW

VOL. XVII OCTOBER—DECEMBER, 1951 No. 4

EDITORIAL NOTES

First Five Year Plan and Co-operation.

The Draft outline of the First Five Year Plan, published by the Government of India, "aims at completing the various projects which are now in progress and providing for the further development of the economy on a planned basis with the available resources." The Plan covers an outlay of Rs. 1,793 crores on developments initiated in the public sector, which would cover also assistance to private agencies in the fields of agriculture, transport, cottage and small scale industries and certain large-scale industries. The assistance that is proposed to be given forms one-eighth of the total expenditure. Out of the total of Rs. 1,793 crores, the expenditure on the implementation of the first part of the Plan is estimated at Rs. 1,493 crores, which is divided almost equally between the Central and the State Governments.

The primary aim of the Plan is said to be to improve agricultural production—Foodgrains, Jute, Cotton in which the country is deficient, and oilseeds and sugar which may be utilised for internal consumption and for export. The first part of the Plan envisages bringing under irrigation about 20·5 million acres which will make it possible to increase production of foodgrains to the tune of 7·2 million tons, jute to the tune of 2.06 million bales, cotton to the tune of 1·2 million bales, oilseeds to the tune of ·375 million tons and sugar to the tune of .69 million tons. The Planning Commission rightly observed that the shortage of food and raw materials is at present the weakest point in the country's economy and that unless the food problem is handled satisfactorily economic conditions in the coutry will not be stable enough to permit the implementation of the Plan. The Plan provides for a total investment of Rs. 192 crores on the part of the Central and the State Governments on Agricultural and Rural Development, of which Rs. 137 crores are proposed to be spent on agriculture alone.

As "democratic planning presupposes an overall unity of policy combined with proper diffusion of power and responsibility", the Central Planning Authority is content to prepare a general frame-work for the Plan, invite the apppropriate local and functional bodies to send in the plans affecting their respective fields, assess them in terms of overall priorities and amend and adapt them to the National Plan. That the co-operative movement has not been assigned any definite place in the scheme along with other functional bodies either in the preparation or in the execution of the plans of the States is a surprise to co-operators. The striking development of the movement in some of the States is evidence in itself of what the movement is capable of. It deserves to be assigned a more defiinite role in any development plan of the country inasmuch as the State cannot fiind a more democratic organisation so well widespread throughout the length and breadth of the country. Though its development is not uniform in all the States, it is capable of being spread in a comparatively little time when once it is made the only channel through which all State assistance including supplies is made available both in the rural and the urban areas.

The Commission was aware that financial investment by Government is only one aspect of an adequate programme for agriculture, and that the programme can succeed only if the cultivator is filled with the enthusiasm and determination to achieve his best and the resources of the State are mobilised to enable him to succeed. The Commission has categorically stated that "production suffers to day in a serious degree from lack of credit and finance". That co-operation is the only big agency which supplies institutional rural credit in the country is well known. Moreover, it has fifty years of experience at its back and can be expanded in very little time if the resources required are made available to it. Lack of resources has been one of the major impediments of the credit movement to expand so as to finance the entire community of small agriculturists to satisfy their full agricultural requirements. As recent experiments in Madras have shown it can be stated with optimism that co-operation is the best agency to enthuse the cultivator and make him attempt to produce his best. But the Commission has stated that "a great deal has to be done to reorganise and develop the co-operative credit movement before the necessary assistance, especially in long-term and medium term credit, can be made available". The Commission has not taken pains to specify what exactly has to be done to reorganise and develop the co-operative credit movement to make it fit to receive necessary assistance.

"Utilisation of the co-operative movement as the effective channel through which Government's assistance in finance and supplies reaches the cultivator" is one of the objectives to be secured according to the Report. But under the machinery for rural development it is said "channeling of funds to the village through the co-operative movement, and their distribution to individual farmers through the village production council" is envisaged. Instead of finding concrete suggestions for achieving the objectives to be secured we find conflicting recommendations in the Report. That there is likely to be a conflict between the co-operative society in the village and the village production council, unless the two bodies are one, is, perhaps, overlooked. The Commission was pleased to recommend that where the necessary co-operative machinery does not exist that co-operative multipurpose societies for groups of ten villages should be established which are to handle both credit and supplies, co-operators wish that the village co-operative society is recommended as the nucleus of the village production council atleast wherever the movement is fairly well developed.

The ultimate objective aimed at for rural development is co-operative village management, the main features and implications of which are discussed in the articles published in this issue. It is a matter of satisfaction to co-operators for this recommendation. But the immediate programme for achieving increased production, we are afraid, may not lead to the objective aimed at. Holdnigs above a certain acreage are sought to be organised into registered farms and others encouraged to form co-operative farming societies. It is granted that in every village there can be a registered farm, a co-operative farming society and individual farmers, all receiving State assistance and supplies for increased production. Is it not likely that that system of farming which confers the best profit incentive to the individual survives the transition and that that may not be co-operative farming? It is rather disquieting, particularly to co-operators, that the means recommended in the Report fall short of the requirements to achieve the ends aimed at. The one outstanding feature of the Report is that the stress is not so much on the achievement of co-operative village management as on the improvement of agricultural production. Co-operation is sought to be utilised as one of the alternatives for increasing production and not the sole agency. We are afraid, the whole attitude of the Commission towards co-operation "is but casual and perfunctory and of a purely utilitarian character". We wish the Commission revised its attitude and recommended in its final Report the utilisation of the agency of co-operation to the utmost extent possible in all developmental schemes, rural as well as urban, as it is the best organisation that can be readily pressed into service for obtaining best results.

* * * *

State Plans of Co-op. Development.

We publish in this issue Five Year Co-operative Development Plans for Madras, Bombay, Uttar Pradesh, Assam, the Punjab, Bihar, Mysore, Vindhya Pradesh and Pepsu States. We are given to understand that some of the other States have either not formulated any plans or have not yet obtained Government sanction for the plans formulated. The Plans published are said to have been prepared either in consultation with or with the concurrence of the Planning Commission and sanctioned by the respective State Governments. Co-operators, after a study of the Report of the Planning Commission, would expect to find in the State Plans relating to the development of Co-operation, the details of the extent to which the States propose to press the movement into service in the execution of the various development schemes, on the lines of development outlined by the Planning Commission in pursuance of the objectives to be secured. But these Plans do not give any indication as to how the schemes included in the plans are likely to achieve the objectives aimed at.

The main feature of the Plans is to continue the schemes of expansion of the movement in rural areas already enunciated and being worked, viz. conversion of credit societies to multipurpose societies, organisation of a few co-operative farming societies or colonisation societies. In our view, these fall far short of the immediate steps that are necessary to be taken to achieve the changes which are called for to promote the ultimate objective viz. co-operative village management. The change, we are aware, cannot be brought about overnight but can be only gradual and after years of sustained work towards its realisation. But a beginning has to be made and it is better made sooner than later. To bring about such a change the Planning Commission stated "a process of persuasion and education is necessary in order to convince the bulk of agriculturists about the value, from their own point of view, of moving towards Co-operative Village Management". But provision does not appear to have been made in any of the plans for constituting a machinery to undertake the task of persuasion and education of the agriculturists. This is a matter which calls for the attention of the State Governments and that of the Planning Commission if they are serious about the development of co-operative village management.

We wish the Departments had given wider publicity to their plans before submitting them to the Planning Commission and elicited the opinion of co-operators for whom the plans are intended and by whom the plans are sought to be worked out.

CO-OPERATIVE FARMING AND THE FIVE YEAR PLAN

BY

KALIPADA BHATTACHARJEE,

Secretary, West Bengal Provincial Co-operative Union Ltd.,
Asst. Secretary, West Bengal Co-operative Council.

Co-operative Farming Societies of cultivators should be started on a new line. The suggestion in this respect has been made by the Planning Commission in the Five Year Plan. The Co-operative Village management for attaining the national objective of Welfare State, which will ultimately establish the Co-operative Commonwealth, partly depends on the principle of Co-operative Farming. The following four types of Co-operative Farming Societies were recommended by the All India Co-operative Committee:—

(1) A Co-operative Better Farming Society; (2) A Co-operative Joint Farming Society; (3) A Co-operative Tenant Society; (4) A Co-operative Collective Farming Society.

A Co-operative Better Farming Society is designed as a co-operative organisation wherein agriculturists in a village or a locality combine together for the purpose of their common economic needs like credit, purchase of seeds, manures and other agricultural requisites to follow the improved methods of farming, etc. The society can also undertake specific measures of land development like bunding, irrigation or joint havesting which would commonly benefit all members. As against this type of society, the Co-operative Joint Farming Society undertakes even the actual operations of cultivation of the land. All lands are pooled together into one unit of cultivation which is cultivated according to the Plan laid down by an elected committee of the members, who are themselves also cultivators. The entire land is looked after under the direct control of the society. The members work jointly and each member receives wages in respect of his work and also "property income" at the end of the year out of the profits earned during the year. A subsidiary arrangement is generally made between the society and each member that if any improvement is made on his plot of land, he will repay its cost when he ceases to belong to the society. In the Tenant Farming Society the lands are obtained on lease and assigned to members after dividing them into convenient plots. Except for the fact that the ownership of the land rests with the

society for which it receives annual rent, the Tenant Farming Society works more or less on the lines of a better farming society. This type of society replaces the inferior landlord, and the profits, after meeting all expenses and providing for a reserve fund, are distributed among the tenant members in proportion to the rent paid by each. A Collective Farming Society on the other hand works on the same lines as a Joint Farming Society except for the fact that in the former the lands belong to the private landowners, who voluntarily pool their lands for join cultivation whereas in the Collective Farming Type the lands are obtained on lease either on lease-hold or freehold from Government or absentee landlords. Joint Farming Societies and Collective Farming Societies work the lands belonging to them as one unit of cultivation and arrange for systematic cultivation of the lands as well as market the produce raised on the lands of the farm The Co-operative Collective Farming Society's main object is large scale cultivation facilities. The land of a Collective Farm though originally belonging to the members, becomes, the property of the collective farm for its permanent use and the members lose the right of individual ownership.

The present condition of the peasantry is undoubtedly pitiable. From time to time numerous plans have been prepared and discussed to increase their wealth, standard of living and purchasing power. Whatever may be the merits of the various plans, the plan that will be suitable for our country is Co-operative Farming of any one of the above types. That will not only meet the urgent demand of the country but will also bring agricultural development and production of more food.

Co-operative Farming is sometimes confused with Collective Farming of Soviet type which does not permit the members to hold any private property in land. There is little that is voluntary in this system of farming. In our country all who speak of co-operative farming do not mean the same thing. For the clarification of ideas Co-operative Farming Societies should be based on the principle of voluntary co-operation of farmers. For this purpose the Primary Co-operative Societies in villages should no longer be merely credit societies, but should take up all other functions conducive to the economic betterment of the farmers. New co-operatives should be organised for the benefit of the farmers for the purpose of credit, supply of agricultural requirements, procurement and sale of produce.

Considering the present condition of agriculturists the following are among the fundamental reforms, that are in order needed to increase agricultural production (1) Enlarging and consoidating the existing uneconomic holdings, (2) Increasing the yield per acre under cultivation by the use of better implements, fertilisers and improved varieties of seeds etc, (3) Improving irrigational facilities (4) Reclamation of cultivable wastes with a view to extension of area under cultivation, and (5) Adopting co-operative agricultural marketing. Starting a network of agricultural co-operative societies for the purpose of production and marketing and construction of warehouses on co-operative basis on a large scale are essential requirement.

Great emphasis has been laid by the Planning Commission on agricultural reorganisation and agrarian reforms. Large-scale growth of co-operative farming societies in the country can only solve the problem.

The present crop loan societies should be encouraged to function as credit-cum-marketing societies for the future development of farming co-operatives. These societies are at present encouraged to take up retail sale of manure etc., and work for procurement and marketing of food grains. The productive societies will be the farming type; these societies should be formed as suggested by the All India Co-operative Planning Committee. The States and Union Governments should render all assistance for the formation. The registered farms which will be owned by private individuals must not be encouraged in any way to kill the prospect of agricultural co-operative movement. The agricultural side is most important part of the First Five Year Plan. But the registered farms, which the Planning Commission advocated, should not be given any preference the interest of rural co-operation.

The main problem of co operative farming will be its finance. Both short term and long term finance for various purposes should be given by the State and Union Governments, Reserve Bank of India and co-operative banks. The Apex and Central Banks will have to take measures for adequately catering to the financial needs of such societies. For the proper formation and expansion of co-operative farming, suitable legislative and financial measures may have to be undertaken by the State.

CO-OPERATION AND PLANNING

BY

HON'BLE SRI VAIKUNTH LAL MEHTA

It is not only in India that co-operators have begun to think in terms of the place of co-operation in a planned economy. Only recently, Prof. G. D. H. Cole, the well-known writer on socialism and co-operation, dealt with the subject in a comprehensive manner in the *British Co-operative Movement in a Socialist Economy.* What Prof. Cole observes at the conclusion of his new work is as pertinent to conditions in India as to those in his own country, namely, that the co-operative movement can claim a high and honourable place in the structure of the new society, only if it is prepared to play an active and imaginative part in bringing that society into being.

With the publication by the Government of India, of the first Five Year Plan, drafted by the Planning Commission, that is the task to which co-operators in India should immediately address themselves. The planning that we wish to go in for is democratic planning; and, as the Planning Commission recognizes, such planning "presupposes an overall unity of policy combined with diffusion of power and responsibility". Functional organisations, such as representative co-operatives have a vital part to play, both in the formulation of the details of the Plan, in so far as they relate to the sector they cover, and in its execution in its various forms and at different stages.

The economic activities, on the intensification of which the Planning Commission has laid the greatest stress, are agricultural production and the manufacture of essential consumer goods. In both these spheres, the Planning Commission visualizes the employment of the agency of the co-operative movement for various purposes. Co-operative societies, credit or multipurpose, can function as the nuclei of the village production councils through which will be conducted a vigorous drive for increased production. They can provide the resources and develop the services which alone can make such increased production possible. They will also serve as a training ground for the advanced forms of co operation that lead us on to the goal of co-operative village management, which the Planning Commission has placed before the country. Similarly, for the development of cottage industries allied to agriculture or subsidiary occupations, the extension of both of which is advocated by the Planning Commission to relieve the pressure of population on the land, industrial co-operatives are looked upon as an integral part of planned development.

In both of these respects, the Plan provides merely the outline, leaving the details to be filled in by functional organisations taking into account the social conditions and the requirements of different regions. The lines of development, as also the pace, may vary from region to region. The machinery to be utilised for executing the Plan may also not be identical everywhere. But in order that in these fields the proper part is played by the co-operatives it is essential that the leaders should, without delay, formulate their views and place these before the Planning Commission.

While the Planning Commission contemplates the setting up of village co operatives as the first stage in the agricultural organisation and of industrial co-operatives in the decentralised sector of industrial production, no provision is made in the Plan for financing of agricultural production or decentralised industrial production on an intensified scale. Nor is there any machinery suggested for the organisation of the orderly marketing of agricultural or industrial products, in the interest of the producers. The Expert Committee appointed by U.N.O. to report on the economic development of under-developed countries has noted the need for attending to these fields of rural economy and of finding the requisite finance for the purpose. This is an aspect of planning which, after deciding about the course of action they would recommend co-operators should bring to the attention of the Planning Commission before its recommendations take final shape.

In various countries all over the world, the consumers' co-operative movement plays a notable part in ensuring that the function of distribution is carried on in the interests of the consumers. That is the main thesis that engages the attention of Prof. Cole in his proposals for the planned development of the co operative movement in the United Kingdom. Along with this form of development, he deals with the allied subjects of conducting productive enterprises and of carrying on of international trading in the interest of the community of consumers in general. This is a sphere in which apparently the co-operative movement does not figure in the draft outline of the Five-Year Plan. But if co-operators have a definite programme in mind which is capable of

being worked out with a fair prospect of success in the next five years, it will be helpful if they formulate it for regions where there is the requisite environment for progress and furnish it to the Planning Commission at an early stage.

For the purposes of planned economy functioning on democratic principles, public co-operation, the Planning Commission remarks, is both a force and a sanction. Co-operators have the opportunity now to influence public policy in certain sectors of our economic life where, at least, a programme of planned development can ensure to the community the benefits of a social order inspired by considerations of social justice. If co-operators concentrate their attention on these sectors of economy and after helping in the detailed framing of plans, undertake to implement them, they will be rendering invaluable service to the country.

CO-OPERATION IN RE-ORGANISATION OF AGRICULTURE

By

M. L. Dantwala

The programme envisaged by the Planning Commission for the reorganisation of agriculture is divided into two parts, one for immediate implementation and the other as the ultimate objective. In both co-operation has been given pride of place.

The programme for immediate action consists of three main proposals: (i) Establishment of Village Production Councils, (ii) Establishment of Registered Farms, (iii) Promotion of Co-operative Farming Societies.

Only the last is relevant for the purpose of this article. Commenting on this proposal the Commission observes: "Registered Farms will, however, only touch a small section of the rural community. It is important, both for the education of the bulk of owners and for increasing the yields from land under cultivation, that individual owners and holders of land should be encouraged and assisted to group themselves voluntarily into Co-operative Farming Societies". Earlier, they have stated that holdings above a prescribed level should be organised as registered farms and the rest should be brought together increasingly into small co-operative farms. If, as is suggested, the minimum size for registered farms should be about six times the economic holding, not more than 5 to 10 per cent of holders will come under the category, though they may between themselves own as much as 25 per cent of cultivated land. This will leave the bulk of the field to co-operative farming. It is not clear whether by co-operative farming is meant co-operative joint farming. If that is so it will impose too great a strain on the co-operative movement. It would perhaps be better to confine co-operative joint farming to uneconomic cultivators and bring those above the economic unit, but below the level prescribed for registered farm, within the pale of better farming co-operatives. This, in fact, was the recommendation of the Congress Agrarian Reforms Committee, with the difference that instead of constitution of registered farms for holdings above a prescribed limit, it had suggested redistribution of the excess.

One of the conditions for the formation of the co-operative farming society is that the area under it should not be less than

the minimum prescribed for registered farms; no maximum is prescribed. Here too the recommendation of the Agrarian Reforms Committee differs from that of the Planning Commission. The former had suggested that any group of cultivators who together could form an economic unit might take to joint farming. Since there is a widely held view that pooling of holdings is opposed to the instinct and tradition of the Indian peasant and will not be readily acceptable to him, there is less chance of misunderstanding a smaller co-operative farming society. As will be pointed out later, when membership of a co-operative becomes too large and its working too complicated, it develops into a managerial organisation, somewhat like a joint stock company, and lose the very essence of a co operative enterprise.

The proposal of Co-operative Village Management as an ultimate objective is too general and vague to lend itself to informed criticism. The essence of the scheme is that the unit of land management should ordinarily be a village. As the Commission observes: "In so far as it separates ownership from management, it makes it possible to use the land wholly in the interest of the community". The essence of co-operation is that it combines management with ownership. The separation of the two is the characteristic feature of the capitalist joint-stock enterprise on the one hand and the politically dominated collectives on the other. It is one thing to socialise those privileges of ownership which are anti-social, and another to separate the responsibility of management from the privileges of ownership and yet reorganise, retain and remunerate the same. Having become functionless, what the ownership can at best claim after management is divorced from it, is interest at one per cent over the bank rate on investment. It appears from a careful perusal of the Report that "the village management body" will have considerable authority. "For the purposes of cultivation appropriate blocks may be constituted and allotted by the village management body ". And "agricultural workers who now work for individuals will, under co-operative management, work for the village community". Individual families and their groups are to be allowed to cultivate land, yet the agricultural workers are supposed to work for the village community. In order that the workers may get such a feeling, the authority of the village management body vis-a-vis the individual farming families must be considerable. Also there cannot exist, under those circumstances, any glaring inequality of incomes between owners and workers. One can imagine, with what authority the village management body will have to be invested to accomplish these very laudable objectives.

How exactly all this "management" will be co operative, it is difficult to find from the Report. Will the major decisions be taken co-operatively—by majority vote on the basis of one member one vote? Or will all these powers be delegated to a "Managing Body"? If so, it will be, at best, co-operation by proxy. In any case, looking to the prevalence of factions in villages and inherent conflict of interest between the (unlimited) land-owning class and the landless, any smooth functioning of Co-operative Village Management seems to be a remote possibility. With structural inequalities kept in tact, one cannot expect democracy and co-operation to work smoothly and achieve socially desirable aims.

CO-OPERATION AND THE FIRST FIVE-YEAR PLAN

BY

P. N. DRIVER,

Professor of Agricultural Economics, College of Agriculture, Poona.

The Plan marks a revolutionary and necessary approach to the problems facing us. It is of the utmost importance. I certainly do not agree with all the criticism levelled against it. Part of such criticism has come from minds which are so conservatively constituted that they do not understand planning by other minds not wedded to the past and not frightened by new ultimate objectives suited to the needs of the new age that is being born before us. None the less it would be an exaggeration to say that the Plan is either a comprehensive or logical whole. One of its gravest defects is that it has not paid sufficient attention to the co-operative movement and its inherent utility and potentiality.

Co-operative Ideal of Self-Help

To the co-operator who stands for self-help as much for the nation as a whole as for any groups of individuals seeking economic betterment the Plan is something of a disappointment. Many of us feel that our future should be based on as much as we could do without any direct or indirect commitments or compliments to any foreign country or power block. Unfortunately from the very start the Plan puts it down that its implementation will require "a considerable measure of foreign assistance". The Plan has asked frankly for such foreign aid. It wants this aid on the ground that it stands for democratic planning and not any "regimentation" (Para 8, page 4). Similarly the Plan wants our future increased internal supplies of 7·2 million tons of food to be supplemented by foreign imports of 3 million tons every year. This involves a complete ignoring of the likely stoppage of imports in the event of a war. The reserves of one million tons provided for will be inadequate. It is admitted that the declaration of 1949 that there will be no imports by 1951 was a great mistake made on incorrect assumptions. We are afraid the reverse assumptions made now that we will be able to import food grains every year may prove equally incorrect.

A co-operator has a right to feel that, situated as we are where foreign aid may help to construct but other foreign enmity may soon destroy what we build, it would be better for the future leader among nations of Asia to rely much more on the co-operative ideal of self-help than is done here.

Conflicts Between Contradictory Sectors

The technique of planning recommended is a democratic one, with a set up that implies the minimum use of compulsion or coercion for bringing about a realignment of productive forces. This, as well as our administrative weaknesses of to-day and our financial limitations, rule out any expansion of the public sector (nationalisation) beyond a narrow limit. The economy is to be State-directed but operated mostly by private initiative and only partly by State and co-operative action. It is taken for granted that private initiative and State action will be complementary to each other and there will be no clash of any kind between them. The practical reasons preventing expansion of the public sector today ought to be the opportunity for expansion of co-operation in production, distribution, trade and housing. Unfortunately, the private sector and private initiative are recommended for playing a more predominant role than co-operation. There has been very little appreciation of the help State direction and the public sector could receive from co operation. On the other hand there is a reliance on the private sector, which may lead to nothing at all in the end.

Independent Role of Co operation and its Potential Vitality as a Third Sector of Economy Not Recognised

The Plan has not ignored co-operation completely. No economic Plan can do that. It would be wrong to say, for example, that in the chapter on 'The Approach to Planning' the reference to co-operation is only for the limited purpose of organising trade onco-operative lines. Para 31 of this chapter clearly refers to more than this and particularly to the necessity of co-operative organisation as well as State-aid, for supplying the necessary finance, for adopting the necessary techniques and for providing the necessary marketing facilities required for development of our cottage industries. The importance of co-operation for cottage industries seems to have been very clearly recognised, so also the educative value of the movement. However this is not enough.

The Plan has failed to accept the independent and distinct role of the co operative movement. The Plan talks of the public sector and the private sector and recognises the necessity of determining the respective spheres of these two sectors and of the

means of keeping the two in step. But there is no appreciation of the part co-operation can play in this useful field, for it is regarded as just a part of the private sector only. The Plan talks about building up a machinery for State consultation with representatives of the private sector, but the role reserved for co-operation in this machinery is insignificant. The possibility of co-operation acting as a useful liaison between the aforementioned two sectors has not been considered. The Plan wants all private enterprises to change their out-worn conceptions and to survive only if they can serve the public good. (Para 52, page 26). But it is not realised that such enterprises based on the profit and price basis can hope or can be trained to do this only to the extent to which they can make use of the co-operative principle.

A Note of Warning Regarding the Future Role of Co-operation

A note of warning may be necessary here. The use of co-operation by private enterprise can only be for the purpose of the gradual replacement of the latter by the former. This alone can help any necessary development towards State direction. The use of co-operation by private enterprise should not be of the nature of a cloak to hide its defects and justify its survival. The organising of a co-operative society by private hotel-keepers, for example, in order that they might purchase sugar and other controlled commodities more easily is not real co-operation. This is not the sort of co-operation which either we or the Plan could tolerate. Private enterprise can of course seek the help of co operation, but only to the extent to which it can help the small man to share the fruits which go primarily to the rich share-holders of proprietary concerns. We cannot as co-operators allow the rich to use co-operation just to earn larger profits at the expense of the small customer. The Registrar of Co-operative Societies, Madras, may be complimented in this connection for preventing such adverse developments as the above very recently.*

Conflict Between the End and the Means

The primary aim of the Plan is to improve agricultural production. More production is its main objective and it very rightly stresses the fact that our main problem is to convert the millions of small farms into large farms. The ultimate objective accepted is that of co-operative village management with the converting of each

* Attention may be invited to the address of Shri J. C. Ryan on the occasion of the International Co-operative Day. Vide *Madras Journal of Co-operation*, November, 1951 (Vol XLIII, No. 5.)

village into a closely knit co-operative unit, provided of course at least two-thirds of the owners or permanent tenants holding not less than one-half of the cultivated area prefer to have this change voluntarily.

Unfortunately there is an amazing contradiction in the Plan between the end and the means proposed. The ultimate objective is different from the plans for immediate action. The programme proposed is a terrific anti-climax to the ultimate objective. This programme accepts the presence in each village of three main elements - individual farmers, registered farms and co-operative farming societies. There will be village co-operative societies but they will represent in each village only a few farmers and it is certainly not expected that everyone should be a co-operator. Co-operation is by no means accepted as the pivot of rural reconstruction for the immediate present and, in fact, the main stress is decidedly on the organising of large farms managed by individual farmers. The emphasis is definitely on elements which are not only not co-operative but actually the natural enemies of co-operation. The Plan gives us for each village a picture of a society, not co-operatively homogeneous, but actually divided by conflicting economic interests and thus heterogeneous enough to be at logger heads within itself.

The co-operator will notice the stress laid on registered farms and the faulty composition of the Village Production Council. The latter is to be a common body for all classes of farmers, the majority of whom will, in all probability, consist of cultivators working on their separate fields and other owners of registered farms.

The Plan suggests that where there is a Village Panchayat, this Council should be only a sub-committee of the Panchayat, with some of the office-bearers of the co-operative credit or multi-purpose society co-opted to it. There is no emphasis on either specially building up co-operative farms or for giving the co-operatives a predominant role in the Councils.

Difference in Structure of Ordinary Agricultural Co-operation and Co-operative Farming Not Clearly Noticed

The structure of agricultural planning proposed for the interim period is based on individualism and landlordism. The Plan says that it aims at strengthening the individual peasant and not in supplanting him. This ideal seems to ignore the essential difference between co-operative farming and ordinary agricultural co-operation, as we have known it till to day. The far-reaching differences required in the environmental and psychological factors if we are to move from ordinary agricultural co-operation to real co-operative farming do not seem to have been appreciated at all. There has been a haste in generalisations on co-operation which are theoretically defective and are rather dangerous from the practical point of view.

Loop-Holes Pertaining to Economic Holdings and Co-op. Farms

One fails to find in the Plan any special programme of help or emphasis for organising immediately co-operative farming societies. It is true that some useful suggestions are made by the Plan on page 104, but even these leave large loop-holes. It is not clear why a minimum area is fixed at all for co-operative farms and also why it is fixed in terms of the minimum for registered farms. This limitation should be removed in the initial stages, and specially as the size of registered farms suggested has not been properly worked out and seems to have been tentatively considered on the basis of calculations of economic holdings, which appear to be defective. I am subject to correction here, but in the absence of more information one can only say that it has been intended to work out economic holdings on the basis of existing capital instead of the basis of a properly considered future standard of living for our masses. (See " existing techniques ", page 103 of Report) The Plan should have thrown more light on the question as to what standard of life we want for our masses in our future economic set up.

Mistake of Retaining Old Incentives for New Institutional Set-up

If we are serious then about co-operative farming for the future, we have to plan properly the psychological atmosphere necessary for it. The Plan has been tempted into reliance on big landlords for improvement in procurement and in food production, but such reliance will not be a good object lesson, leading automatically to the ultimate co-operation of our dreams. Co-operative farming requires a positive discouragement of the idea of getting profits on the basis of ownership. There are examples of co-operative farms which have not succeeded, simply because of the corrupting influence of profits as well as of the presence of individual peasant farmers in the neighbourhood. These lessons have to be learnt more carefully than the Plan has done. We should not aim at building co-operative villages by over-emphasis on rights of ownership. It is also not proper to try to build up new institutions on old incentives not suited for our purpose.

Failure of Price Incentives in World Food Planning Ignored

It may be pointed out that though the Plan recognises the limitations of price incentives, no attempt is made to substitute in place of the out-worn and dangerous incentive of high prices new incentives of joint effort and true co-operation. Recent developments have shown to all co-operators that it has not been possible to overcome the natural impulse on the part of our farmers to grow commercial crops in place of food crops. We have been forced, since the Plan was drafted, to raise the prices of food crops. We all know the possible results of this. The Plan traces the failure of Grow More Food in the fact of its being spread over the whole area of the State. It seeks to rectify this defect by intensive working of specific areas. I am not sure this will yield better results in the absence of the true psychological change of new basic incentives which the masses require. May I humbly draw the attention of the authors of the Plan to the fact that Europe is not producing enough food to feed its people and farming practices which will lower costs and increase yields are not even listened to by the farmers, just because there is too much reliance on the price incentive. The fears governing the price incentive are preventing more production. The preamble to the French Government's recent agricultural plan for Europe is worth a study.

Conflicts of Social Justice—of Right to Own and Right to Work

The Plan aims at working out many other principles of social justice, which it will also be difficult to achieve through adherence to private effort. For example, Co-operative Village Management is meant to throw the responsibility of providing work for all its members on the shoulders of the village community. This will require not only a strong administrative machinery but also a much more homogeneous society than is provided for here. It will be noticed, for example, that the Plan provides for legislation to compel the big landlords to sell seed to Government or ensure proper wages but there is no suggestion to compel such men to give employment to all. Obviously the right to work for all requires a new set-up of its own.

The Plan provides for certain temporary palliatives such as the enforcing of the Minimum Wages Act of 1948 in rural areas where wages are low. This is intended to help agricultural labourers, but it ignores the difficulty of enforcing such wages and

the practical impossibility of fixing minimum wages among producers whose economy is a chronically deficit one. One fears there will be a robbing of Peter to pay Paul if any attempt is made to enforce such wages among small farmers.

Weakness Regarding Reliance on Consolidation in Immediate Present

It has been noticed that failure to grasp fully the inherent weakness of individualist farming generally goes hand in hand with an over-confidence in the possibility of consolidation of holdings as a solution. This is partly true of the Plan for it holds to the belief that over the greater part of the country the cultivator needs no persuasion for adopting consolidation. The slow progress we have had since we started consolidation in the Punjab and in Baroda about 1917–1920 does not justify this optimism. We cannot overlook the fact that in many parts of the country such as in Madras and Bengal consolidation is not practicable. The opposition of mortgagees and occupancy tenants, the present laws of inheritance, the technical difficulties of cultivation of certain crops like paddy, are only a few of the lions in the path. The Plan's desire to intensify consolidation (See page 105) should not also blind us to its impermanence as a solution. We all should know how, for example, after the first Great War the French Government succeeded in consolidating all the strips of fragmented farms in North-east France but within about 20 years all this work was undone by the evil of inheritance, sub-division of land.*

Co-operative Cottage Industries in Danger

The general weakness in the suggestions pertaining to agricultural production will affect very seriously the other sectors where the Plan has thought fit to consider co-operation more seriously. Co-operation in the latter will be endangered because of its neglect in the former sector. The Plan accepts the idea that the scheme of agricultural production cannot succeed unless we can absorb surplus workers from agriculture in our cottage industries. The development of cottage industries will depend on two main factors—the creation of demand for cottage industry products in the village itself and, secondly, a sufficient supply of raw materials. The Plan is forced to realise the impossiblity of organising cottage industries without co-operation. But it

* For fuller discussion see the author's *Problems of Zamindari and Land Tenure Reconstruction* (New Book Company) page 291.

discussed more fully by others I may draw attention here only to two points. We have already seen that our cottage industries cannot develop without the creation of demand for their products locally in each village itself. This should be considered along with the second problem, *viz.*, the State's desire to obtain more food from rural areas. Both these problems can be solved only if we have co-operative and State control of trade and transport instead of private control. The control of private trade and transport will help to adjust the balance required for creating the necessary demand for village industry products. The vital importance of the control of railways by the State and through it of the power both to control private trade as well as the supplies of consumer goods and manufactured goods to the rural areas is worth very serious consideration. It certainly gives great bargaining strength to the State in the attempt to obtain surplus corn and foodstuffs from the villages for our industries and urban populations. The Plan does talk of a limited amount of State trading but it has not given the question the attention it deserves. It is for co-operators to think seriously of the problem and to make their demands and programmes quite clear and in time before it is too late.

Private and Co-operative Housing

Co-operators are bound to notice that the discussion of housing in the Plan has left much to be desired. The main difficulty in housing expansion is the high cost, hence we have to pay close attention to factors which can reduce costs. The cost of land is of course one of the the most important. This ought to show us the importance of control of land values by society for society. The problem requires more careful consideration for it is clear that where land belongs to the entire community it would be easy enough to get it free to construct houses for the community. There may be no immediate solution to the problem of the high cost of land but the same is not true of other factors. Cost of labour and material for example is also very high and the problem suggests increased use of co-operative self-help. The Plan is aware of all this and it also admits the following :—

(1) The failure of private enterprise during the War.

(2) The impossibility of private enterprise to meet the housing needs of the lower-income groups.

(3) Employers have not done much to provide housing nor is it possible to force them to do so.

(4) The hardship of workers on account of housing has been increasing.

(5) The economic rent for even the minimum standard of accommodation is altogether beyond the means of working classes.

All this may be expected to lead to a full scale discussion of co operative housing aided by the State. The absence of this and the ultimate decision to rely on private enterprise more than anything else will be regretted in all co-operative circles.

Essential to Reconsider All Proposals

That the Draft Plan is so defective that it will have to be changed considerably in the future The organisation proposed for more food production, in particular, should be seriously reconsidered and the Plan must take co-operation much more seriously than it has done. Large-scale farming is essential but it should not mean any kind of subordination of co-operatives in favour of either small or big landlordism. The means suggested in the Plan will not lead to co-operative village management. It is vain to expect two-thirds of owners, holding not less than one-half of the cultivated area of a village, to agree by themselves to give up all individualism and adopt co-operative village management at the end of the transitional stage. The independent peasant and individual farmer can only serve to act as mud and dust clogging the wheels of the general co-operative machine. To visualise a co-operative village based on incentives of individual production and profit motives is like visualising the smooth working of a machine oiled with sand !

THE CO-OPERATIVE MOVEMENT AND THE INDIAN FIVE-YEAR PLAN

By

PROF. S. KESAVA IYENGAR

Economic Adviser to the Government of Hyderabad (Retd.)

The draft Five-Year Plan for India appears much too modest. We find in it little of imagination and less of determination. At best, it is based on a static, not a dynamic foundation. The enthusiasm roused among the masses is very small. Whatever realistic virtues the Plan might have, there is little room for any co-operative poetry or drama. The Indian Constitution might contemplate a Co-operative Commonwealth and the Central and State Governments might occasionally put forth strong resolutions and paper organisations, as though to relieve guilty consciences, but a factual grasp of the situation can no longer be delayed. The Indian Co-operative Union has come none too soon to clear up the maze of doubts and arrive at an honest attitude in the interest of the co-operative movement

What Cannot be Done

The co-operative movement, logically speaking, should turn out both capitalism and socialism. But capitalism is running riot, and socialism is fast catching the imagination of the masses. I would be wise to eliminate those fields of work in which the co-operative movement could have possibly little or no room. Large-scale production or business, industrial or agricultural, has to be left alone. We have not got the required acumen and integrity in adequate strength for this. And individual initiative finds no congenial field in co-operation. The example of the English Co-operative Wholesale Society, might be all right in a text book, but for decades to come the co-operative movement in India cannot dream of taking up schemes like the Damodar Valley Corporation, the Sindhri Fertilizers Factory or the Chittaranjan Locomotive Works.

The co-operative movement in India has done fairly well in credit and in some forms of trade; but the producer and consumer aspects are there mostly as an apology. It would be wiser to bestow more attention on schemes of expansion in familiar ground rather than fritter away energy and funds in trying to apply the co-operative principle universally.

Lack of capable, enduring and honest leaders and workers is perhaps the most serious handicap in spreading the benefits of

co-operation. The recent uneconomic upsurges in wage levels have made the scope for business, especially co-operative business, narrower. We have not produced even a few personalities endowed with a genius for co-operative leadership. The late V. Ramadas Pantulu was the last mentionable all-India figure. Such genius and leadership cannot be made to order. Providence should come to our rescue in this respect.

White-washing, if not boosting, has been a weakness in the working of co-operation, in the past in this country. Except to justify the salaries and promotions of co-operative officials, the publications of such cooked-up data serve little purpose. Only recently, the Registrar of Co-operative Societies in one of the Indian States gave out in a radio talk that co-operative grain banks had done exceedingly well in his State and served as a model for the whole world. As a matter of fact, a great majority of these grain banks actually died several years ago and are not functioning at present: they have no stock on hand and there are no transactions. The *Indian Co-operative Review* publishes sometimes exaggerated accounts of the achievements of co-operation in State A, B or C usually written by an official and very few of such accounts have been honest enough to expose any weakness and examine the practicability of remedial measures.

Lastly, the movement suffers from financial anaemia. The Reserve Bank of India is making loud protestations, but neither that Bank nor concerned Governments have come forward with the offer of a fraction of the funds that are required as a preliminary for working the co-operative movement.

What Can be Done

The co-operative movement is bound to bring economic prosperity to the masses of India, but it is inevitably a long-term proposition. What can we do during the five years of the first Plan for India? At the outset, the Indian Co-operative Union should appoint a small expert committee to represent to the Central and State Governments in India the minimum financial resources needed in the shape of capital and current grants for co-operative publicity, education and training, employment of adequate staff, organisation and experimentation. Such a demand should be so made as to find the warm support of the Central and State legislatures. Without adequate finance, it would be idle to think of any active programme. Under the present circumstances of the money market, it is Governments alone that could help the co-operative movement.

Land mortgage banks have done some work in Madras and in Mysore, but the scope for such banks in the rest of the country is quite great. The German Government in the past helped the land mortgage bank movement in that country through the issue of "renten marks" against the deposit of land mortgage deeds. Unless some such arrangement is made in addition to a guarantee of interest on and principal of debenture bonds issued by central land mortgage banks, the land mortgage bank movement in India will continue on nominal dimensions for decades.

Again, co-operative house building has been a success on a limited scale. Here also the prospect is gloomy, unless the Reserve Bank of India agrees to special issues of currency against house mortgage deeds. Here is a field in which co-operation can do wonderful work in raising the standard of living of the population; but our achievement, compared to British and American, has been less than nominal.

In an agricultural country, with frequent failures of rain and occurrence of floods and cattle disease, cattle and crop insurance is a great necessity, however much red tape might succeed in postponing a serious handling of the problem. A beginning has to be made some time, and the earlier it is done the better. There is some risk of Governments losing some money in running such insurance schemes but the risk should be faced. Some decades ago, when the Financial Secretary to the Government of Mysore complained that the ryots were not paying interest on loans nor repaying instalments of principal lent to them, Sir M. Visvesvarayya, the then Dewan of Mysore humourously remarked that such loans were really meant as subsidies: if the ryot earned well, he might pay; even otherwise, there was a satisfaction if the ryot earned better than before and added to the national income.

In brief, co-operators would do well to take up a few things and work them well instead of being lost in too broad a programme. As stated above, the very first necessity is for fact-finding committees to be appointed in every State immediately with a view to take stock of men and funds available. A special officer should be appointed in every State to frame and steer co-operative schemes during the five years, and he should be a man combining in himself sound economic background, robust enthusiasm and good experience. In many States, the present hierarchy in the co-operative movement is much too slack to be capable of any initiative.

AGRICULTURAL CO-OPERATION IN PLANNING

BY

BALJIT SINGH

A co-operator finds several reasons from his special viewpoint * to generally commend the draft outline of the First Five-Year Plan of India. For one thing, it avoids a wholesale regimentation of the economic life of the community by a comprehensive bureaucratic machine as is the case in totalitarian planning. Secondly, private enterprise is not left altogether loose, so as to subordinate national interests to vested or group interests. There is a proper emphasis on the public sector of investment in a centrally regulated system of mixed economy with considerable scope for private enterprise. Planning has been conceived from a functional view-point and there is no attempt to immediately alter the basic structure of economic organisation. The economy still remains largely self-regulated, but individual decisions are supplemented, and to some extent limited, by collective decisions reflected in the planning programme. Co-operation under these circumstances is likely to find a most fertile field for development.

An absence of a radical structural change is not necessarily a weakness of the scheme, as success of any economic plan is to be measured in terms of efficiency and well-being rather than by an ideology obviously, as the latter is not a substitute for output and economic welfare. Co-operation in agriculture has a unique significance for economic planning in a country of small-scale farmers, having one of the lowest yields per acre and per man. This is so, because peasant farming under these conditions cannot be made to yield more beyond a limited range without pooling of resources. Pooling is almost a pre-condition of improved technology and better farming. Hence, the extent to which

* To identify this view-point I may be permitted to quote at length the following passage from the conclusions reached by the International Committee for Inter-Co-operative Relations:

'They (co-operators) condemn the unrestricted war of selfish interest, in all its forms because it leads to disorder and cruelty, but they would not deprive progress of the contribution which the free play of initiative and invention can make to it. They would like to be able, by the organisation and practice of solidarity, to limit and so to render supportable the risk entailed by economic activity and by the fact of existence; but they refuse to carry such policy to the point at which the sense of responsibility disappears with the disappearance of the risk.

They deny that, under guise of a doctrine of liberty the supreme control of economic affairs, national or international, should be left in the hands of the great financial companies; and they feel surprised and resentment, as at a gross misconception and a grave injustice, whenever Government action fails to make the essential distinction between big business group, whose object is profit and co-operative organisations, whose object—whatever their size, is one of service." (Quoted in I.L.O. *The Co-operative Movement and Present Day Problems,* Montreal, 1945. p. 187) agricultural productivity and output can be raised under a particular plan depends on the degree to which it secures pooling of agricultural resources, particularly in land and equipment. The Planning Commission has certainly emphasised agricultural co-operation as an objective, but it cannot be said with equal certainty as to what extent this objective would be realised within the next five years. Agricultural co-operation thus seems to have been assigned a national role instead of being given its functional place in the planning process.

After having rejected the plea for nationalisation of peasant rights and any large-scale sudden attempt to break up the larger farms by redistribution of land the planners have defined the ultimate objective of agricultural reorganisation as co-operative village management. This would bring the entire land of a village in a single farm for the purpose of management; but rights of ownership will be retained and respected by ownership dividend each year from agricultural produce. The bulk of the produce will, however, be distributed among workers, both owners and non-owners, in proportion to the work done by each individual. All village workers will, however, not work on a single farm, as land may be cultivated either by individual families or by groups of families on blocks allotted to by the village management body.

Clearly, the system stands in distinct contrast to the Russian *kolkhoz* or collective farming. It leaves considerable scope for individual farming by separating ownership from management and the latter from cultivation; so that what is now termed as the 'higher' form of agricultural co-operation will not necessarily be the goal of có-operative development. At a future date, even if it be not expedient to do so now, this objective needs to be recognised more clearly. Further, even in this rudimentary form, agricultural co-operation is not proposed to be introduced outright. The immediate programme under the Plan is based, on the other hand, on (1) constitution of Village Production Councils; (2) establishment of Registered Farms of above the size of about six times the economic holding in a region; and (3) promotion of co-operative farming societies. Co-operative village management is the ultimate objective to be introduced gradually through a democratic change, village by village, only 'when at least two-thirds of the owners or permanent tenants, holding not less than one-half the cultivated area of the village, express their preference in favour of its adoption'.

This scheme may be criticized on the ground that agricultural co-operation in its final form does not go far enough as to supersede individual farming entirely. Secondly, it may take too long to introduce co-operative management through an enabling legislation; in certain villages, perhaps in many, it may never be introduced. Thirdly, the co-operative farming societies which are suggested for the immediate future might cover only a very limited area, as their development is conceived through internal growth with the help of propaganda, education and certain preferences in the matter of supplies, finance, technical assistance and marketing. In all these respects, however, the limitations do not inhere in the Plan itself. These will largely appear from its defective implementation, against which there is not sufficient safeguard in it. Its weakness lies in the absence of these safeguards and its main merit lies in the gradualness and restraint in enjoining co-operation on those who might not be ready for it.

In contrast, planning in U.S.S.R. has been associated with wholesale collectivisation of agriculture from the very start and the collective farms have been regarded as the main institution of planned economy, without which the latter would in general be unworkable. By 1939, with the exception of just over one million acres or 0.3 per cent of the total, all cultivated land was held in collective farms, numbering 2,42,000 with 19 million peasant families or 43 per cent of the total population. The State, through the Plan with its overall targets, lays down for these farms and through them for their individual members their production programme, their minimum working time, their marketable produce, their minimum contribution to the State budget and their prices.

With this rigid control over agriculture and farmers, programmes of planning are easy to formulate; nonetheless, they are difficult to implement. This is so, as traditionally farming has an intensely individualistic bias all over the world. The Russian peasant resisted the establishment of collective farms to an extent that the entire scheme had to be moderated after a failure of the initial attempt to collectivise agriculture by sheer compulsion. The same had to be conceded in China where the agrarian reforms under the law of 1950 have been more moderate than under the 1947 land-law.

A fundamental truth, which is often ignored in discussing the place of co-operation in planning, is that collective farms established under Soviet planning differ not only in their origin but also in their day to day working from the principles of co-operation as understood by us. They are not free associations and their membership is not open. Nor are they politically neutral. They derive their main strength, not from an inborn spirit of co-operation among individual members, but are operated by an outside force, which constantly threatens the individuals with 'purges', liquidation and punishment. And yet, there is a large amount of labour wastage, misappropriation of produce and shirking from work under this system.

We should however not lose sight of the fact that there has been an increase in agricultural productivity and output under Soviet planning; and a few other countries which are emulating the Russian example are eager to improve similarly their own production and standard of living. But this improvement in U. S. S. R. has been aided by the following factors which may not be present in other countries:

1. A collective farm in 1940 has an average of 50 acres of land per household, or 3,800 acres per farm, of which 1,200 acres or a little more than 30 per cent were under crops. In our own country this condition cannot obviously be satisfied in any conceivable future.

2. In spite of collectivisation each peasant family was entitled to a plot of its own of 1 to 5 acres for cultivation of food and vegetables. Family allotments of this nature would leave little land for collective farming in India.

3. The establishment of collective farming and increase in productivity under it have been dependent on improved technology. All over the country there are the State provided Machine Tractor Stations (M. T. S.) of which 7,800 are functioning at present. It is doubtful if without mechanised farming that was made possible by MTS, collective farms could have achieved any progress. In 1940, three-fourths of ploughing and half of sowing in *Kolkhoz* fields was performed with the aid of tractors and 50 per cent of the grain crop was harvested by combines. Russia claims to have the most mechanised system of farming in the world.

Let aside these limiting factors. A number of countries in the post war period, particularly in South-Eastern Europe, have adopted the Russian pattern of economic planning. This began in Hungary even before 1948, when the Communist Party announced a programme of full socialisation. The Co-operative Act of May, 1947 had already passed control of the co-operatives into the hands of the Government. At this time there were in the

main three types of co-operatives in the countryside viz., (a) credit societies; (b) the 'Hangya' societies for supply of consumers' goods; and (c) co operatives of 'new' farmers who obtained lands through redistribution under the land reform of March 15, 1945. These 'new' farmers were free to cultivate their holdings individually but had to be members of a new type of agricultural producers' co-operative which obtained the farm equipment, buildings, machinery and even distilleries, mills and plants belonging to the former farms that were broken up and which could not obviously be distributed among individual workers.

Since 1948 co-operation in Hungary has been made the spearhead of Collective farming to build up a new economic order and the old 'Hangya' has been absorbed into a few 'universal' type of agricultural co-operative, which does not represent a simple form of economic enterprise. These new co-operatives which are replacing individual farming all over Hungary are not free associations of peasants and workers whose membership may be open to all persons. On the contrary these are established by the State and co-operation is as much enjoined from outside on their members as the expulsion of 'kulaks'. Marketing of agricultural products has been made a State monopoly and to finance these co-operatives the State has established the New Central Institute for Mutual Credit Societies. Co-operative sale and purchase has also been enforced in handicrafts, which find their central organisation in the National Handicrafts' Society.

Similarly, Bulgaria has adopted two plans to socialize its agriculture—(1) a Two-Year Plan (1947-48) through which she has already gone and (2) a Five-Year Plan (1949–53) which is now in progress. Both have the same primary objective viz., establishing socialism by enjoining co-operation. Under these plans individual peasant farming has been superseded by Labour Co-operative Farms, to practise from the outset the "higher" form of co-operation similar to Collective farming in U.S.S.R. But the individual still retains the right to land brought into the co-operative farm, although there is co-operative use of the land, draught animals and equipment of members The produce of the farm is distributed among the members, according to land and labour invested by each. To satisfy their strong desire for individual property, each member is given one acre and a quarter for personal use. A great part is played in the establishment and extension of this "higher" form of co-operation by the State through the provision of agricultural machinery, expert advice, financial aid, tractor stations, exemption from taxes, etc. It is claimed that co-operative farming has raised the yield by 20 to 35 per cent.

Private ownership of land is still retained and regarded as a transitional phase. In 1949, 20 to 40 per cent of agricultural income went for payment of rent to individuals. All holdings over 50 acres have been broken and redistributed among landless workers or transferred direct to labour co-operatives. But collective farming, it looks, is still confined to the poor and middle-class peasants. The more substantial peasants are outside its scope though a relentless attempt is made to bring them in by restricting the maximum size of individual holding, tightening taxes and placing other obstacles in their way. The plan envisages that by the end of 1953 the labour co-operative farms will occupy about 30 per cent of all cultivated land in Bulgaria.

Economic planning is proceeding on the same pattern in Rumania as in other Balkan countries. First, large holdings are broken, the so-called 'Kulaks' are 'liquidated' and land is redistributed. Simultaneously, co-operation instead of being allowed to grow from within is enjoined by the State and takes quite a new form, which does not fit in with the well-known types and principles of democratic co-operation.

In fact, very little of true co-operation may be found in this enjoined co-operation. This may partly explain the so-called deviation of Yugoslavia. Here, the plan for socialist transformation starts with the organisation of simplest forms of agricultural co-operatives, which have already within their fold about 95 per cent of the peasants. There is no attempt to enforce or enjoin 'higher' forms of co-operation from the very start; but every effort is made to promote growth of the established simple forms, as the supply co-operative societies to more complex forms—the ultimate objective being socialisation of agriculture and organisation into peasant labour co-operatives. The plan proceeds in a natural way from simple to complex forms and the change-over from capitalism to socialism in agriculture is visualised through a process of transition rather than revolution. There is moderation and gradualness and the peasant is to be won over to Collective system of farming by being convinced of its advantages through actual demonstration instead of being compelled to accept it.

The proposals of the Planning Commission in India with regard to agricultural co-operation have more similarity in basic features with agricultural planning in Yugoslavia than with other

countries of South-east Europe. Very correctly, there is emphasis on the enlargement of the unit of farming through a gradual change-over from individual to co-operative way and from the elementary to 'higher' form of agricultural co-operation. Any attempt in India to enjoin full co-operative farming from the very beginning is fraught with grave dangers. Apart from the social upheaval that it may cause and the immediate fall in current agricultural output, we lack the means in technology, trained personnel and crop-area for any ruthless extension of the intricate and complex form of agricultural co-operation immediately. If experience be any guide, an attempt to implant joint farming by compulsion, statutory or otherwise, without establishing a proper understanding of the co-operative way, without providing incentives that will lead to it and make its working a success, and without the means to enable introduction of scientific technology, including mechanization, will not raise productivity and output. It may rather lower the standard of farming; and hence there is nothing wrong if we proceed according to our resources.

Let co-operation be introduced slowly but more firmly. Let it proceed from spontaneous and simpler forms to intricate and 'higher' forms, e.g. from co-operative holding and service of costly equipment and machinery to joint farming. But to implement a modest plan, the State must be all the more vigilant so that no opportunity may be missed to demonstrate to the peasant the merits of agricultural co-operation and to enable him to practise large scale farming by pooling resources with others. For this purpose the State should establish experimental co-operative farms on a large scale all over the country. Meanwhile no time should be lost in bringing all cultivators within the scope of simple forms of co-operation in societies, that have a multipurpose base in order that evolution towards higher and complex forms might be guaranteed. Steps should also be taken to provide a trained personnel, on the one hand, and to build up farm capital and equipment for new technology, on the other.

CO-OPERATION AND PLANNING IN INDIA

By

MAHESH CHAND

Allahabad University

Starting from their respective zones, co-operation is spreading to take charge of production in various fields and stages. Public economy has also broken into many erstwhile strongholds of the capitalists on grounds of national defence, key industries, monopolistic nature, and hindrance to democracy due to the economic, social and even political power wielded by the capitalists. But there is no clash—neither any need for clash—between co-operative enterprise and public enterprise. Nationalised coal carried by nationalised railways has been distributed by wholesale and retail co-operative societies successfully. In India stocks belonging to or procured in the first instance by the Government are being distributed by co-operative societies with brilliant success.

Planning through a mixed economy involves a growing sphere of public enterprise and whether it be the public sector or the capitalist sector, co-operation represents a particularly efficient and thorough method of planning. Its objectives are the establishment of a co-operative economy, co-ordination with public economy and, by competition, to exert a regulating influence on the capitalist economy. Even theoretical economists concede that co-operative society has risen into importance during the last hundred years and "may be of even greater importance in the future." There is therefore the need for great caution when a Government publishes a plan or programme.

The Draft Plan :—According to the planners, their scope of planning "is limited in the first instance to the public sector and to such developments in the private sector as follow directly from the investments in the public sector, or, on the whole, are more amenable to planning and control." (p. 3) "In agriculture, cottage industries, and large scale industries which fall largely within the private sector, the aim of the Plan is to establish suitable machinery through which the community will be able to exercise a certain measure of control over the rate and pattern of its economic and social development." (p.4) It is only when a reference is made to the Directive Principles of State Policy as enunciated in the Constitution that a mention of *Co-operation* is first made: "In furtherance of these aims, the State is to endeavour to organise agriculture and animal husbandry on

modern and scientific lines and to promote cottage industries on individual or co-operative lines." It is true that the Directive Principles do not visualise any rigid economic or social framework, but that does not mean that the planners were precluded from mentioning more definitely and comprehensively the role to be played by co-operation. "Individual or co-operative lines" is a vague choice which could be tolerated with some justification only in the Constitution.

And a Growing Movement :—Already in this country the application of co-operation in the field of rural and urban banking, marketing and trading, consumers' stores, housing, insurance, small scale and cottage industries, has been recognised to be of vital and growing importance. Other potential fields of application are fisheries, labour units, transport, education, social welfare and some large scale industries. But all this is only inadequately and inefficiently recognised in the Plan.

Yet a Neglected Role :—The Plan is apparently a Plan for Production and leaves the side of Distribution untouched (!). Really it cannot be said to be so characterised, because the Directive Principles concern both production and distribution. Possibly distribution will get a mention in the final Plan.

Part III of the Plan consists of chapters dealing with Food Policy, Programme for Agriculture, Machinery for Rural Development, Reorganisation of Agriculture, Animal Husbandry, Rural Cottage Industries, Irrigation and Power, Forests, Fisheries, Minerals, Industrial Development, Small-scale Industries, Transport and Communications, Labour, Health, Housing, Education, Social Welfare and the Displaced Persons. But co-operation does not get a due recognition, much less a due role in these fields.

Public Co-operation:—However, when talking of Public Co-operation, it is said that democratic planning leads to the application of the *principle of co-operation* in all phases of social activity and in all the functions, which bring together individuals for the pursuit of common purposes. (p. 235). At this stage one would think that the co-operative principles were possibly getting their due now, but the next few sentences show that the reference is otherwise, particularly when they say that "we have before us here a much wider view of public co-operation". It is in the same vein that they deal with the possibility of harnessing the spare man-power in the country for the cheaper execution of irrigation and power projects. "In the performance of these tasks small groups everywhere can find scope for co-operative activity and the exercise of initiative, and every individual can have something to which to devote his spare time and energy." And so instead of talking of the great scope for the organisation of labour co-operatives for work in the field of irrigation and power and even housing, one reads next of the large opportunities which can be thus furnished to the student community all over the country, and of the idea of a Bharat Seva Sangh instead of better living societies, co-operative hospitals, co-operative homoeopathic dispensaries, co-operative welfare centres and co-operative schools

Co-operative Education is By-passed:—In the field of education it is mentioned that social education is not essentially a matter of class-room instruction. "It has to be diffused through all the varied activities of the community and should find its main focus in 'community centres' and co-operatives to the establishment of which in every field of work increasing attention should be paid." (pp. 224-225). One is reminded of Section 17 (4) (d) of the Reserve Bank of India Act and wonders if the word 'which' qualifies the community centres or co-operatives. But that it must be the former is rather clear from the subsequent reference to community activities only. The cause of co-operation is again by-passed. *And there is no mention of co-operative education, which is so badly needed even for the success of the role accorded to co-operation by the planners.*

Housing:—In the chapter on housing, it is said that "it is well known that it is extremely difficult to take work from unskilled workers without proper incentives" (p. 213) But the labour co-operatives are not mentioned. The Plan deals with industrial housing, housing for other low income groups and rural housing and action is proposed mainly in the direction of provision of finance, reduction of housing costs, help to private enterprise and the establishment of a suitable organisation. Co-operative housing goes by the board, except that in the case of housing for other low income groups cheap loans to co-operative housing societies are recommended. (p. 211)

Similarly one fails to find any mention of health co-operatives, which have been so successful in Yugoslavia: of the cattle-breeding societies under animal husbandry; and a role in the sector of minerals. In the field of fisheries development, they no doubt say that "a determined policy for organising co-operatives and liberalising supplies of essential requirements are the immediate steps to enable the fishermen to increase their working hours, and thereby substantially increase their production and earnings, and that in order to mechanise fishing operations new powered crafts, which would be sufficiently cheap, and within the means of fishermen or their co-operative societies should be designed." (p. 138)

Not Even A Variant in Industries:—It is only in the agricultural sector and in that of rural cottage industries that co-operation receives a prominent mention. In the field of industry (urban), co-operation does not really receive completely a mention even as a variant of private enterprise. As one reads through the Plan what strikes one is mainly a categorical application of co-operation to rural areas alone. There ought to have been a balance and in urban industrial sector co-operation should have been given its due. Co-operation may not have a successful story of progress but the recent history of the responsibilities shared and borne by it in various fields during the last War and after the partition bear eloquent testimony of its efficacy. It would be wrong to argue that a greater emphasis on co-operation would result in failure or that no useful purpose is served in locating it now in time, or that it should better be left to the execution of the Plan. The building up of an economy is a laborious and uphill task, for which defeatist and resigned attitude will not do. We must persevere in our efforts, lest we nip in the bud what otherwise would bring heaven on earth.

Co-operators' Responsibilities:—We are reminded of what Prof. Milhaud wrote in the *Review of International Co-operation* (Dec. 1950). We must draw ever closer the bonds between co-operative organisations, multiply and intensify to the greatest possible extent co-operative integration. We must strive to associate co-operative organisations at all levels with all measures and activities of planning. We must mobilise co-operative opinion and, as far as feasible, public opinion in favour of democratic planning. We must strive to establish all useful relations in order to co-ordinate the efforts of co-operative organisations with those of other forms of collective economy, and in particular with those of public undertakings, and attempt to promote to the greatest possible extent public-co-operative integrations. We must fight to win by example and we must fight for our rightful place, mutual help and self-help. Finally to repeat, ours is a just cause and we must intensify co-operative integration and solidarity by deeds and not merely by words.

CO-OPERATIVE VILLAGE MANAGEMENT

BY

N. S. MANI

The greatest ideal is one where the ends and means are equally noble. A great ideal can never be achieved by sordid means. From this view point Co-operative Commonwealth is the highest ideal that a society can set before itself. In the midst of the clash of ideologies and issues today, we have set Co-operative Commonwealth before us as the ideal for our nation. The realisation of this ideal is possible only by stages and degrees. People who want spectacular and quick results are bound to be disappointed with co-operation.

The authors of the First Five-Year Plan have realised the efficacy of the co operative method for the rehabilitation of Indian agriculture, and they have stated that the Co-operative Village Management is the ultimate objective of the Plan. Planning is purposive adaptation of the economic resources to sôcial ends. It is a conative activity. Society is no longer content passively to evolve, it wants to develop. Democratic planning must necessarily be co-operative in nature. The basic principle of the co-operative movement is planning. It is united and planned action on the basis of voluntary effort and democratic association. It eschews compulsion.

Before we discuss the main features of co-operation in relation to the First Five-Year Plan, it is better to have an idea of the present economic condition of our country, particularly in the agricultural sphere. Our production of cereals has decreased from 46 million tons in 1938-39 to 44 million tons in 1949-50, though the acreage of cereals has increased from 167 millions to 184 millions. In the over-all picture of agricultural production, we find the yield per acre has decreased from 619 lbs to 575 lbs. Further, large tracts of land, about 10 million acres, are lying fallow on account of the Partition and Communist trouble in Hyderabad. Therefore the main emphasis of the Plan is rightly on agriculture, as today our country is woefully deficient in food and raw materials.

The uneconomic holding is the weakest link in the chain of Indian agriculture. Consolidation of holdings is no sure solution of the problem, though it may secure compact plots. This problem can be solved only by some drastic methods. Nationalisation of and can be a good solution, but this has to be ruled out as

unsuited to the Indian genius and also as being beyond the resources of the State to pay compensation for: Expropriation of land is opposed to centuries of private ownership. Therefore the only solution of this problem is co-operative farming.

Among other weak spots in the rural economy are the *lack of technical knowledge* and the *absence of organised credit.* We have in our country to-day what Wolff called "*robber farming*" i.e., we are taking out of the soil much more than what we put in. Soil, like man, responds to better treatment. But unfortunately, the ignorance and illiteracy of the Indian peasants have been the stumbling blocks in the way of agricultural improvement.

The latest developments in scientific agriculture do not reach the Indian peasant. Even in cases where he comes to know of the improvements, he is not in a financial position to apply them. We have no soil conservation nor fertility increment in Indian agriculture, as we find in prosperous and advanced agricultural countries of Europe. "For about five thousand years North-West Europe has been farmed by peasants and it is to-day more fertile and productive than when it was virgin soil. In less than one thousand years, Mediterranean Europe and North Africa were reduced to half sterile or wholly barren desert by the pursuit of classical agriculture and industries." So says Edward Hyams, who strongly pleads for peasant farming.

It has been pointed out that inadequacy of finance and consequent usurious money-lending sap the vitality of the Indian peasant. Agricultural finance in India is in a disorganised state, and it is not governed by any law or principle. The only limits set to the rise in the rate of interest are the money-lenders' greed and the borrowers' need. Organised credit should be substituted for the disorganised individual money-lending of to-day.

These problems of agriculture can be solved only by means of Co-operative Village Management. The members of the Planning Commission point out: "After examining the land problems carefully, from different points of view, we suggest that it should be the broad aim of State policy to establish a system of co-operative village management." The essential features of co-operative village management are as follows:—

(1) The unit of land management should ordinarily be the area of the village as a whole. For the purpose of

management all the land of the village is to be regarded as a single farm.

(2) Rights of ownership are recognised and compensated for through an ownership dividend to be paid at each harvest. Ownership being provided for separately, cultivation of the land of the village is to be organised to the maximum advantage of the village community.

(3) Management of the land and the resources of the village should be organised so as to provide maximum employment. Owners of land who work in the village and workers who are non-owners will receive remuneration for work done, according to the nature and quantity of work. Owners will also receive an additional return on account of their ownership right.

(4) The land may be cultivated by individual families or groups of families, according as the needs of cultivation and other local circumstances suggest. For the purpose of cultivation, appropriate blocks may be constituted and allotted by the village management body.

These blocks will be held from the village management body on such terms and conditions as will provide suitable incentives to those holding the blocks. The possibility of securing maximum production through the provision of individual or group incentives is thus fully preserved.

(5) The system of co-operative village management may be introduced in any village where at least two-thirds of the owners or permanent tenants holding not less than one-half of the cultivated area of the village express their preference in favour of its adoption. In such an event, the system would apply to the entire area of the village, including that held by the minority.

(6) Enabling legislation on co-operative village management should be enacted in each State. Legislation should provide for the village organisation necessary to work the system of co-operative village management, the ownership dividend, the procedure for the introduction of co-operative management, etc.

The manifold advantages of co-operative village management are given by the planners as follows :—

It provides, in the first place, a large enough unit for agricultural operations. In so far as it separates ownership from management, it makes it possible to use the land wholly in the interest of the community. Agricultural workers, who now work for individuals, will, under co-operative management, work for the village community. Workers engaged in the same type of work, whether they are owners or non-owners, will receive remuneration on the same principle, so that the landless labourer's position in society will begin to change. Although ownership dividend will be determined in accordance with general legislation, as reorganisation proceeds, its magnitude is also likely to change. With the strengthening of the social incentive and the responsibility of the community for developing its resources and providing work for all its members, internal savings will develop. Under co-operative management fewer hands will be needed for cultivation than at present. This very factor imposes an obligation, and an urge to introduce other forms of work in and around the village, *pari passu* or even somewhat ahead of changes in the organisation of agriculture.

The ultimate objective of the Plan for the re-organisation of agriculture is co-operative village management, which is a cross between Nationalisation of land and the abuse of private ownership of land. In this scheme, the peasants are not deprived of their holding but the management is taken away from their hands by the village community. Though the village co-operative management is the ultimate object, the immediate programme for increasing agricultural production is the organisation of Co-operative Farming Societies. These societies may be formed on conditions, such as the following :—

(1) The area under a Co-operative Farming Society should not be less than the minimum prescribed for Registered Farms in any tract; no maximum need be prescribed.

(2) Preference should be given by Government to such societies in the matter of supplies, finance, technical assistance and marketing.

(3) In undertaking consolidation proceedings, preference should be given to those villages where such societies have been formed. Wherever holdings belonging to members of co-operative societies can be consolidated

without consolidating the village as a whole, this shall be effected preferentially, so as to provide each co-operative farming society with compact blocks of land.

(4) Preference should be given to co-operative farming societies in leasing culturable waste land belonging to Government or taken over under the law from private owners with a view to development. Suitable assistance in bringing such land under cultivation should also be given by Government.

(5) It should be provided that so long as a co-operative farming society continues no adverse tenancy rights will accrue against those of its members who may not be engaged in personal cultivation. The object of this condition is both to encourage the formation of co-operative farming societies and to assist them in reducing the number of workers required for cultivation of any given area.

Next to agriculture the rural cottage industries have to be organised on co-operative lines. Re-organisation and rationalisation of agriculture on the lines suggested above will inevitably throw a large section of the village community out of work. This will cause considerable hardship. Already the villagers are under-employed and the cottage industries are languishing. In view of the large population that must be absorbed in the future, and that are engaged at present in the pursuit of cottage industries, intensive methods of production have to be established wherever they are technically feasible. The main problems of cottage industries are, organisation, raw materials, finance and market—to adopt better methods of production and to secure cheap and adequate supply of raw materials and finance and to ensure better marketing facilities. Co-operative societies are the only solution for the problem. Single-craft or multi-craft co-operatives should be established to suit local conditions. In the organisation and working of industrial co-operatives, the Government must take great responsibility.

In placing the co-operative village management as the ultimate objective and in emphasising the need for single-craft and multi-craft village co-operatives, the planners have placed before us as the national ideal, the establishment of the Co-operative Commonwealth.

SCHEMES INCLUDED IN THE FIVE YEAR PLAN FOR MADRAS STATE*

MILK SUPPLY

1. **Increase of Milk Supply in Madras City**: (a) The Madras Co-operative Milk Supply Union Limited has undertaken a scheme with Government assistance for increasing the production and supply of milk in the city of Madras. To facilitate collection of milk from places outside the City limits, the Union has organised feeder societies in the Chingleput district. On 30–9–'51, there were 120 feeder societies in the Chingleput district and 7 feeder societies in Madras with a paid up share capital of Rs. 1,45,464. Milk is collected from these centres and transported in the Union's lorries to the Union's factory at Ayanavaram where it is pasteurised and distributed to the people and to public institutions including State Hospitals in the City. During the period from 1–4–50 to 31–3–51, the Union collected 22.26 lakhs of M.Ms. (Madras measure) of milk (1 M.M. = 4 lbs) valued at Rs. 23.45 lakhs and sold 21.77 lakhs of M.Ms. valued at Rs. 29.14 lakhs.

(b) Government have provided, free of cost, a special staff consisting of 1 Co-operative Sub-Registrar, 5 Senior Inspectors and 5 Junior Inspectors for the supervision of milk supply societies and for augmenting milk production. A District Veterinary Officer (Milk) has also been appointed at Government cost for giving prompt veterinary aid to the animals owned by the members of the Milk Supply Union and its feeder societies.

Three Veterinary First Aid Posts, with one stockman-compounder in each are set up at three different centres. In addition to these the District Veterinary Officer (Milk) maintains a mobile veterinary unit for rendering timely help to the villagers in case of outbreak of cattle diseases, etc.

(c) A scheme which aims at providing additional facilities to the Madras Co-operative Milk Supply Union so as to increase its production by 5,000 lbs. a day has since been sanctioned by Government. Under this scheme, the Union will be provided with facilities for ensuring hygienic production of milk through the establishment of a laboratory for carrying out quality tests. The scheme involves a non-recurring expenditure of Rs. 1,11,000 and a recurring expenditure of Rs. 20,500 which are borne by the Union, the Madras Corporation and the State Government. The scheme is being given effect to.

* Notes supplied by the Registrar of Co-operative Societies, Madras.

2. **Urban Milk Supply Scheme** :—To assist the Dairy Development Officer, Madras, in the development of the dairy industry in the State, the Government sanctioned a three year plan under which a special staff of 25 Dairy Assistants, 25 Senior Inspectors and 25 Junior Inspectors were employed in three batches. Government also sanctioned the employment of 10 Veterinary Assistant Surgeons in three batches. The scheme was introduced in eight districts in the first instance in October 1948 and extended to another eight districts from October 1949 and to the remaining 9 districts of this State from October 1950. The scheme envisages the organisation and strengthening of milk supply societies and unions and providing them with technical advice. It aims at increasing the production of milk through milk supply co-operatives from 16,250 M.Ms. per day at the time of introduction of the scheme to 36,150 M.Ms. a day at the end of the third year. At the time when the scheme was introduced, there were 27 milk supply unions and 335 milk supply societies in the State. As on 30-6-51, there were 37 milk supply unions and 486 milk supply societies handling 29,432 M. Ms. of milk a day.

3. **Interest-free and Interest-bearing Loans** :—The Government have been providing every year Rs. 12.50 lakhs in the budget for issuing interest-free loans to members of co-operative milk supply societies and unions in the State for the purchase of milch cattle and Rs. 50,000 for granting interest-bearing loans to milk supply co-operatives for the purchase of motor lorries and vans. During 1950-51, Rs. 12.44 lakhs were disbursed under this head and Rs. 8,000 were issued for the purchase of motor lorries. It is proposed to extend the scheme for sanctioning loans for the purchase of motor lorries and vans and to sanction loans for the purchase of dairy equipment.

4. **Vattambedu Salvage Scheme** :—A scheme for the salvage of dry buffaloes is worked at Vattambedu in the Nellore district. Under this scheme, the dry animals in the City are collected by the Madras Co-operative Milk Supply Union and sent to the salvage society at Vattambedu and entrusted to the members of the society for maintenance during the dry period. The animals are returned to the owners just when they are about to calve. A monthly fee of Rs. 6 for each country buffalo and Rs. 9 for Murrah buffalo is collected from the owners. Government have sanctioned, free of cost, one Stockman-compounder, one Senior Inspector and a cattleman at Vattambedu to work the scheme. A

subsidy not exceeding Rs. 460 per year is given to the society to meet the cost of feeding the bull and the cost of medicines used by the stockman-compounder.

5. **Karunguzhi Co-operative Creamery Society** :— With a view to increasing the supply of butter and ghee, a co-operative creamery society was started at Karunguzhi in the Chingleput district. The society purchased 85,000 lbs. of milk for Rs. 13,824, out of which it sold 19,362 lbs. as fluid milk and converted the balance into butter, cream and curd. The total sale proceeds of milk products during 1950-51 amounted to Rs. 11,572. The society is given the services of a Junior Inspector free of cost, from its inception.

EDUCATION AND TRAINING

1. **Teaching of Co-operation as a University Course of Study**:— Government have sanctioned the services of two Deputy Registrars to the Madras University for giving lectures on co-operative law and principles and to impart practical training to the students admitted to the B. Com. (Hons) course of the Madras University as a permanent measure. The principles of Co-operation will be taught in the 2nd and 3rd years of the course. The Service Rules governing direct recruitment of Deputy Registrars and Co-operative Sub-Registrars are being amended so as to give preference to candidates who hold the degree of B. Com. (Hons) with Co-operation as a special subject.

2. **Training of Employees of Co-operative Societies**:—There are four co-operative training institutes for imparting training to non-official employees of various co-operative institutions in the Madras State—at Coimbatore, Tanjore, Anantapur and Rajahmundry. Each institute is given the free services of a Co-operative Sub-Registrar (to serve as Superintendent) and Senior Inspectors as lecturers. Government also bear the full cost of the non-official lecturers whenever they are employed.

INTENSIVE FOOD PRODUCTION

It was considered that the scheme of intensive food production recently introduced in the State would produce better results if it was worked through co-operative societies. Hence co-operatives in seven select districts undertook to distribute fertilisers, manures, iron and steel, to promote the manufacture and use of rural compost, to list out neglected cultivable lands and arrange for their cultivation and to generally assist in making the

Grow More Food Campaign a people's effort instead of a mere official endeavour. To ensure the success of this enterprise, Government sanctioned the bifurcation of the seven districts, each into two circles of the co-operative department absorbing the ameliorative staff in the regular line and appointing a little extra staff. Fifty per cent of the cost of the scheme is borne by the Central Government.

CREDIT

1. **Subsidies to Central Banks for the Reorganisation of Rural Credit Societies:**—The State Co operative Advisory Council recommended the extention of the two year scheme sanctioned for the reorganisation and intensive supervision of rural credit societies in the State for a period of three more years. But Government have extended it for another year only, and will consider in January 1952 the proposal for the extension of the scheme for a further period of two years from 1–2–1952. The target of 50 per cent of the villages to be covered by rural credit societies has been reached. As against the target of 30 per cent rural population to be served by the rural credit societies, the percentage reached was 18.54 by 30-9-1951. 10,577 rural crecit societies representing 82.5 per cent of the good and active societies in the State have undertaken multi-purpose activities other than credit by 30-9-1951. The value of business done by them during the period 1950-51 amounted to Rs. 560.18 lakhs.

2. **Scheme for the Provision of Loans at Concessional Rates of Interest to the Members of Rural Credit Societies in Rayalaseema:**—The Rayalaseema Co operative Enquiry Committee recommended that loans should be granted to ryots in Rayalaseema at a reduced rate compared to the rate in the other parts of the State. As the Central Banks could not do this consistently with the rate at which they raised their funds, Government sanctioned, for one year in the first instance, the payment of subsidy not exceeding Rs. 71,680 during 1949-50 to the 5 Central Banks at Anantapur, Hospet, Chittoor, Cuddapah and Kurnool to enable them to advance short term and medium term loans to rural credit societies and marketing societies at $3\frac{1}{2}$ per cent interest, so that these societies might give loans to the ultimate borrowers at a rate not exceeding 5 per cent per annum. The target for the issue of loans by the five Central Banks in one year is Rs. 71.68 lakhs and the subsidy to be given is 1 per cent of the above amount. The subsidy is likely to be given for 5 years.

Government sanctioned the payment of a subsidy not exceeding Rs. 21,900 for a period of 5 years to the 5 Central Banks in the Rayalaseema to enable them to employ additional supervisors at the rate of one supervisor for every 15 rural credit societies. This is for the intensive supervision of societies and is complementary to the scheme for the disbursement of loans at the reduced rate of interest referred to above.

3. **Scheme to subsidise the Central Land Mortgage Bank to make long term loans available to ryots in the Rayalaseema at 4 per cent interest:**—The Central Land Mortgage Bank raises funds on its debentures at 3 per cent and lends them to primary land mortgage banks at $4\frac{1}{4}$ per cent and the latter lend to the ultimate borrowers at $5\frac{1}{4}$ per cent. The Gadgil Committee, the All India Co-operative Planning Committee and the Rayalaseema Co-operative Enquiry Committee recommended that the rate of interest on long term loans should not exceed 4 per cent. This concession was considered particularly necessary in the case of backward areas like the Rayalaseema. It was suggested that the Central Land Mortgage Bank should be given a subsidy so as to make money available to ryots at 4 per cent. The Madras Government accepted the suggestion and sanctioned a scheme for the grant of subsidy to the Central Land Mortgage Bank at $1\frac{1}{4}$ per cent on all loans to be issued by it during five years from 1-7-1949 in Rayalaseema for the full period of 20 years during which the loans are repayable so that the ultimate borrowers may get their loans at 4 per cent. The total subsidy payable on this account has been estimated at Rs. 6.75 lakhs, spread over 24 years.

CO-OPERATIVE FARMING SCHEME FOR CIVILIANS

According to the tentative Five Year Plan, the programme of organization of co-operative farming societies for civilians was indicated as below:—

1951—1952	... 27	1954—1955	... 20
1952—1953	... 30	1955—1956	... 20
1953—1954	... 20		

The total cost was estimated as Rs. 104.89 lakhs. Subsequently this estimate was cut down to Rs. 51.14 lakhs.

While according to the above programme, 27 schemes should have been taken up for 1951-1952, it has been decided by Government that only six schemes should be taken up in 1951-1952.

Consequent on the above decision, the investigation of new proposals has been dropped. The District Land Colonisation Advisory Committees also were abolished.

The six schemes for 1951-1952 have not so far been sanctioned. Even if they are sanctioned before the close of 1951-1952, it will be possible to work the six schemes only in 1952-1953.

As regards 1952-1953, 30 schemes have to be taken up according to the Five Year Plan. In 1951-1952, Government selected only six schemes out of seventeen. There are therefore eleven schemes, in which investigation has been completed, which can be taken up in 1952-1953. But while selecting six schemes for 1951-1952, the Deputy Registrars were asked to drop investigation of further proposals in view of Government's policy. If therefore, Government are willing to sanction eleven schemes in 1952–1953, they can be implemented. If Government are, however, agreeable to sanction the full quota of 30 schemes as per programme in the Five Year Plan, the Deputy Registrars will be asked to go ahead with further investigation of schemes.

LAND COLONISATION SOCIETIES FOR EX-SERVICEMEN

The schemes likely to to be carried out in 1952-1953 are the following.

(*a*) Allur and Nizampatam Scheme Guntur district.

Extent of land	...	750 acres
No. of colonists to be settled	...	150

(*b*) Nallavannianakadu scheme in the Tanjore district.

Extent of land	...	180 acres
No. of colonists to be settled	...	45

(*c*) Kalagattoor scheme, Chittoor district.

Extent of land	...	150 acres
No. of ex-servicemen to be settled	...	20

(*d*) Jambuvanodai scheme in the Tanjore district.

Extent of land	...	1,000 acres.
No. of ex-servicemen to be settled	...	200

(*a*) Government have already approved the scheme, but the estimate for Rs. 63,765 submitted to them has not been approved so far. It is likely that this scheme will begin to function in 1952-53.

(*b*) Government have recently approved the scheme and have sanctioned Rs. 12,200 for acquisition, roads, reclamation etc. It is likely that this scheme also will begin to function in 1952-53 only.

(*c*) Proposals have been submitted to Government for approval of this scheme and to sanction the estimates for Rs. 6,500. If approved by Government, there is every likelihood of the scheme being taken up in 1952-53.

(*d*) Government have directed that this scheme should be taken up immediately and have called for detailed estimates on the lines of the tentative estimates prepared by the Government of India. The scheme will accommodate 200 men and the State Government is expected to make a grant of Rs. 500 per settler. This works to Rs. 1 lakh. It is not known if the Government will make the contribution. This scheme is also expected to function only in 1952-53.

Provision of Rs. 1.8 lakhs has, therefore, to be made for these four schemes :—

		Rs.
Nizampatam	...	63,765
Nallavanniankudikadu	...	12,200
Kallagattoor	...	6,500
Jambuvanodai	...	1,00,000
		1,82,465

CO-OPERATIVE WORKSHOPS' SCHEME

Co-operative workshops scheme is one of the measures undertaken for resettling and rehabilitating ex-service personnel in this State. The following 10 co-operative workshops have been established so far:

1. Tinnevelly Co-operative Timber Works.
2. Kumbakonam Co-operative Metal Works.
3. Vizagapatam do.
4. do. Co-operative Timber Works.
5. Malabar District Co-operative Metal Works.
6. do. Timber Works.
7. Strathie Co-operative Engineering Workshop, Madras.
8. Reid Co operative Timber Works Ltd., Tiruvottiyur.
9. Katpadi Co-opeartive Metal Works.
10. do. Timber Works.

The re-organisation of the first six workshops was approved by Government and the capital required has already been provided by the State Government and the Committee for the administration of the Post-War Service Reconstruction Fund at 40 per cent and 60 per cent respectively. During the year 1952-53 the re-organisation of the Strathie Co-operative Engineering Workshop, Katpadi Co-operative Timber Works and possibly the Reid Co-operative Timber Works will be taken up. The Katpadi Co-operative Metal Works will be liquidated. No provision need be made for this workshop. The proposals for the re-organisation of the Strathie Co-operative Engineering Workshop are pending approval of Government. This is proposed to be included as Part II scheme to be taken up for implementation in the financial year 1952-53. The capital cost of the re-organisation of these workshops during the year 1952-53 is roughly estimated at Rs. 5 lakhs, of which Rs. 3 lakhs (60 per cent) will be obtained from the Committee for the administration of the Post-War services Reconstruction Fund and Rs. 2 lakhs (40 per cent) will have to be provided by the State Government during the year 1952-53. Hence a sum of Rs. 2 lakhs has been provided in the estimates for the year 1952-53.

MARKETING

Scheme to Provide Godown Facilities to Sale Societies and Rural Credit Societies by Means of Grants and Loans.—The Madras State have sanctioned a scheme providing grants upto 50 per cent of the cost of the construction of godowns by rural credit societies and marketing societies and loans to meet the balance. They have also agreed to provide a sum of Rs. 5 lakhs every year, for disbursement as subsidies under this scheme.

The scheme is in the third year of its working. In the first year, much progress could not be achieved, as it was new and much time was spent in completing the preliminaries before the proposals were finalised. Consequently, the lump-sum free grant had to be reduced to Rs. 4 lakhs as a measure of economy. For 1951-52, a sum of Rs. 3.10 lakhs was provided in the budget. It is expected that Rs. 4 lakhs will be provided in each of the next 4 years.

HOUSING

After the close of the World-War II housing scarcity assumed the proportions of a major problem in the State. Madras, Coimbatore, Madura and other big towns experienced an acute housing shortage. Housing committees were constituted in 1947 in municipalities and major panchayat areas with officials and non-officials as members for the selection of suitable house sites in centres where housing scarcity was acute. After suitable sites were selected, co-operative housing societies were organised in these centres.

The following figures will show the progress so far made with the housing scheme in this State.

	No. of Societies.	No. of Members	Paid-up Share Capital, (Rs. In lakhs.)	No. of houses completed.
31-12-1947	126	9,583	44.01	1,911
30- 9-1951	293	23,785	125.41	5,042

Construction work is in full swing in Madras, Tanjore, Madura, Palamcottah, Kovvur, Guntur, Katpadi and other towns. During the financial year 1950–1951, a sum of Rs. 1,22,28,640 was sanctioned as State loans to housing societies and during the current financial year a sum of Rs. 80 lakhs has been provided in the budget as loans to housing societies. It is expected that about 800 houses will be built every year.

Rural Housing:—Under the rural housing scheme 41 societies have been formed in the State upto the end of October 1951. In the revised estimates for 1951–1952, a sum of Rs. 10 lakhs has been provided under loans to rural housing societies. Of this, loans amounting to Rs. 1, 38,500 have been sanctioned upto the end of October 1951. 21 members in 2 societies have commenced construction of houses. It is expected that about 50 houses will be constructed before the end of the current year.

In the budget estimate for 1952–1953 a sum of Rs. 15 lakhs has been provided under loans to rural housing societies. Most of the rural housing societies formed during the current year will be completing the preliminary arrangements and be in a position to apply for loans from April 1952 onwards. It is expected that 300 houses will be constructed during 1952–1953.

Staff for Supervision:— Government have sanctioned the appointment of Senior Inspectors at Government cost to work as Secretaries in 8 rural housing societies only. Of these, 3 Senior Inspectors have been appointed in 3 rural housing societies. The remaining 5 Senior Inspectors will be appointed after certain preliminary arrangements, pending now, are completed. Proposals have been submitted to Government for the sanction of Senior Inspectors to work as Secretaries of all the rural housing societies in the State and also for the sanction of a separate Deputy Registrar for the supervision of the rural housing societies. Government orders are awaited.

Weavers' Co-operative Societies—Housing Schemes:—Twelve well established weavers' co-operative societies have undertaken to implement housing schemes for the benefit of their members with the aid of their funds, supplemented by borrowings from Government. The State Government approved the schemes formulated by these societies and sanctioned loans to the tune of Rs. 7.41 lakhs, repayable in 20 annual instalments with interest at 3½ per cent per annum. Upto 31–3–1951 a sum of Rs. 3.57 lakhs was drawn and disbursed to the societies under Government Loans. Three societies i.e., Yemmiganur Weavers' Co-operative Society in the Bellary district, Ondipudur Weavers' Co-operative Society in the Coimbatore district and Pedavandla Weavers' Co-operative Society in the Kurnool district have constructed 117 houses. The schemes are in various stages of implementation in the other societies. Provision has been made for Rs. 1.15 lakhs in the revised estimate for 1951–1952 and Rs. 2.69 lakhs in the budget estimate for 1952–1953 for the drawal of the Government loans sanctioned to these societies.

COTTAGE INDUSTRIES

Scheme for the Development of Cottage Industries through Co-operative Societies:—Government placed at the disposal of the Registrar a lump-sum grant of Rs. 45,600 for being disbursed to deserving cottage industries societies for the purchase of equipment and for meeting establishment and contingent charges. The payment of subsidy towards equipment is subject to the condition that 50 per cent of it should be met by the recipient society. A sum of Rs. 38,940 was sanctioned for 85 societies upto 30–11–1951 and the balance also will be sanctioned shortly. This is the only scheme sanctioned for the development of cottage industries in this State, and provision has been made for it for 5 years.

Palm Gur Development Scheme:—The continuance of the General Palm Gur Development Scheme upto 31–3–1952 was sanctioned by the Government. The estimate of expenditure under the scheme for 1951–1952 works out to Rs. 2,79,400. Fifty per cent of the expenditure will be borne by the Central Government. It is expected that about 250 ex-tappers will be trained by the Palm Gur Instructors every month.

Government sanctioned a scheme for the intensive production of palmyrah and date palm gur in two centres, one at Rochemangaram in the Tirunelveli district and the other at Doddaghatta in the Anantapur district for nine months. The scheme was given effect to on 1–2–1951. The net cost of the

scheme for 1951–1952 works out to Rs. 14,756, of which Rs. 6,388 will be borne by the Central Government and the balance by the State Government. The target of production in the societies during the season is 1,800 maunds of palmyrah jaggery and 1,440 maunds of date jaggery.

Government sanctioned another scheme for running a Neera Parlour in the Madras City. Under the scheme, the estimated cost for 1951–1952 works out to Rs. 4,610 under recurring expenditure and Rs. 700 under non-recurring expenditure. Of this, Rs. 2,300 will be borne by the Government of India and Rs. 3,010 will be borne by the State Government. Sweet toddy will be made available to the consuming public in the City.

Government sanctioned a sum of Rs. 805 towards propaganda for palm gur industry in the All-India Exhibition. Of this Rs. 375 is recoverable and Rs. 430 will have to be shared by the Central and State Governments. JL

The estimate of expenditure for 1951–1952 under the above scheme works out as follows:— XMm 2, N35

			Rs.
1.	General palm gur development	...	2,79,400
2.	Intensive production of palm gur and date gur	...	14,756
3.	Establishment of a Neera Parlour	...	5,310
4.	Propaganda for palm gur industry	...	430
			2,99,896

N5) -17-4

Calendering and other plants:—The Madras State Handloom Weavers' Co-operative Society formulated a scheme for the installation of calendering and other plants to give a good finish to the handloom cloth and make it attractive and easily saleable. The total estimated cost of the scheme is Rs. 5.60 lakhs. The Government of India sanctioned a grant of Rs. 2,15,700 from the Handloom Development Fund while the Madras Government accorded sanction for a grant of Rs. 1.4 lakhs or 25 per cent of the total cost, whichever is less, to the State Handloom Society to carry out the scheme. The State Handloom Society is taking steps to purchase the machinery. A sum of Rs. [illegible] out of the State grant is expected to be drawn during 1951-52.

AMELIORATION OF BACKWARD CLASSES

Kolli Hill Scheme:—The scheme was sanctioned for the amelioration of the condition of the hill tribes of Kolli Hills in the Salem district. The scheme is being worked through the Salem Co-operative Wholesale Stores. A non-recurring grant of Rs. 10,000 was made by Government towards the cost of a lorry for the transport of goods. Two Senior Inspectors were sanctioned free of cost to work the scheme under the control of the Co-operative Wholesale Stores. A recurring grant of Rs. 1,200 per year towards the rent of 6 depots to be opened for working the scheme has also been sanctioned. The main purpose of the scheme is to purchase the hill produce at reasonable prices and to supply the hill tribes the domestic requirements at reasonable rates and to do propaganda among them, so that they might be saved from exploitation by the merchants in the plains.

The Polavaram Agency Scheme:—The scheme for the amelioration of the Agency tribes was introduced through the Godavary Central Stores. The main purpose of the scheme is to collect the hill produce gathered by the hill men at the four depots opened by the Co-operative Wholesale Stores, set up at hill shandy centres, and arrange for their sale at favourable rates. One Senior Inspector with a peon was sanctioned free of cost for working the scheme. A recurring expenditure of Rs. 2,640 was also sanctioned towards the pay of salesmen, watchmen, and rent for the four depots. The scheme is being continued.

GROW MORE FOOD—DISTRIBUTION OF CHEMICAL FERTILISERS

The co-operatives have undertaken the distribution of chemical fertilisers to the ryots from June 1950. Fertilisers are being supplied to the ryots even in the remotest corners of districts through the co-operatives selected for the distribution of manures. As much as 44,420 tons of ammonium sulphate and 10,150 tons of sulphur phosphate were distributed to the ryots upto 30-6-51. The application of these fertilisers to the food crops increases the yield and this helps in the stepping up of food-production of our country. The cost of staff employed in connection with this scheme is estimated at Rs. 0.40 lakhs.

CO-OPERATIVE DEVELOPMENT FOR BIHAR IN THE 2-YEAR AND 5-YEAR PLANS*

1. **Central Co-operative Institute:**—The Co-operative Training Institute holds peripatetic classes in cane areas for the training of executives of Cane Marketing Unions and Canegrowers' Co-operative Societies. It also holds classes at Pusa for the training of Bank Assistants and Supervisors, Bank Managers, as well as of all categories of Government staff employed by the Department, including auditors.

2. **Credit Agricole—Construction of Depot Buildings:**—Construction of godowns for the storage of seeds, manures and implements is essential for agricultural development and marketing.

During 1950-51 the following places were selected for the construction of godowns for the storage of seeds and manures through the Public Works Department:—

(a) Type I—Capacity 1,000 tons:— (1) Patna.

(b) Type II—Capacity 400 tons:—

(1) Barh (district Patna)	(6) Ranchi (Ranchi)
(2) Sasaram (Shahabad)	(7) Khunti (Ranchi)
(3) Jehanabad (Gaya),	(8) Daltonganj (Palamau)
(4) Aurangabad (Gaya)	(9) Banka (Bhagalpur)
(5) Nawadah (Gaya)	(10) Jamui (Monghyr)

(11) Begusarai (Monghyr).

During 1951-52 Credit Agricole godowns of a capacity of 400 tons each are to be constructed at the following places:—

(1) Daltonganj	(6) Nawada
(2) Begusarai	(7) Ranchi
(3) Madhipura	(8) Khunti
(4) Jehanabad	(9) Jamui
(5) Aurangabad	(10) Banka

3. **Organisation of Vegetable-growers' Co-operative Societies:**—Originally Vegetable-growers' Co-operative Societies were organised in Ranchi area only. The present scheme is to organise Vegetable-growers' Co-operative Societies in coal mine area, Sindri and in the labour camps of Damodar Valley Corporation and also within the Green Belt round about towns in these areas. This scheme will merge in the Multipurpose Scheme for 1953-54.

*Notes supplied by the Registrar of Co-operative Societies, Bihar.

4. **Co-operative farming through Cane-growers' Co-operative under the Joint Registrar of Co-operative Societies:**—The essentials of the scheme are: (i) the individual holdings are pooled together into a new unit of management, and (ii) the parties contributing the land retain the title to a recurring return arising from the rights of ownership or occupancy. It is intended, through the scheme, to show to the raiyat that in a bigger and more compact block, it is easier and more economic to carry on agriculture in a scientific manner and get better results than in small and scattered holdings. This is possible even under the existing law and conditions without the cultivator losing any of his rights of ownership and title to his land.

5. **Scheme for the organisation of Rural Development Centres by forming whole-village Multipurpose Co-operative Societies:**—The Co-operative Department has undertaken a scheme of (a) conversion of existing credit societies into multipurpose societies and (b) organisation of new multipurpose co-operative societies on an intensive scale in selected areas and also elsewhere, whenever there is a local demand. This scheme will be continued and expanded and efforts will be made to concentrate in intensive areas as far as possible. It is expected that by 1955-56, Bihar will have 7,400 multipurpose co-operative societies, 1,000 credit societies and 875 other societies including industrial co-operative societies. These multipurpose soiceties will undertake to provide agricultural credit, consumers' goods, seeds, manures and implements, arrange for joint farming, consolidation of holdings, and agricultural marketing. The village welfare scheme and the scheme for organisation of vegetable-growers' co-operative societies will merge in this scheme from 1953-54.

6. **Village Welfare Scheme:**—Under this scheme centres for training in village industries are running at Bithauli (Muzaffarpur) Kako, Aurangabad (Gaya) and Kuru (Ranchi). At these centres training is imparted in spinning, weaving, paper making, bee-keeping. Training is also given to village Chamains in midwifery This scheme will merge into the Multipurpose Scheme in 1935-54

7. **Scheme for development of handloom industry:**—In order to organise the weavers of this State into co-operative societies, this scheme has been working since 1935. The scheme began with registration of six weavers' co-operative societies in 1935. The present number is 131. It is proposed to organise all the weavers

in this State in weavers' co-operative societies and establish a marketing union for the disposal of their goods. As there is not sufficient staff to keep close supervision of weavers' co-operative societies, organisation of new societies is restricted.

It is further proposed to help the Weavers' Co-operative Union in setting up an organisation for the marketing of staple handloom products, the art fabrics being left to Bihar Cottage Industries, Gulzarbagh, Patna, to deal with. The Union, to begin with, will not attempt the marketing of products of those weavers who are not members of the co-operative societies, for this will be a task beyond its capacity. Even from the members of the co-operative societies, it will not purchase all the cloth manufactured by them, but only those made to order, according to specifications. The Union will (a) study market conditions and changes in consumers' tastes, estimate the present and future demand in local, State and foreign markets and adjust production on this basis, (b) analyse the cost of production and advise the societies about costing, (c) collect specimens in demand and standardise production and insist on a high level of quality, (d) establish contact with business firms in different markets and arrange for supplies according to their order, (e) assist in the despatch and transport of goods and (f) pay full or part price of goods supplied according to specification. For performing these functions efficiently, the Union will have to establish a Central Depot at Patna and to maintain the necessary staff at an estimated expenditure of Rs. 32,392 recurring and Rs. 2,000 non-recurring.

It is proposed that the entire cost of this organisation may be met for the first three years by Government; after which the position may be reviewed and a subsidy for a fixed number of years on reducible basis may be paid if necessary. It is also proposed to provide for working capital Rs. 5,00,000 by advancing the amount as loan to the Weavers' Co-operative Union at 3 per cent interest.

CO-OPERATIVE DEVELOPMENT FOR ASSAM IN THE FIVE YEAR PLAN*

I. Training of Office-Bearers of Societies.

The dearth of qualified office-bearers of co-operatives is hampering the progress of the movement. The healthy and proper growth of co-operative societies primarily depends upon the efficient management of the internal affairs of societies by members themselves. If such persons are not available in adequate number the societies, particularly of the primary types, cannot be expected to show progress. To get over the deficiency experienced at present it is proposed to give training for the maintenance of accounts and other matters relating to co-operatives. A consolidated sum of Rs. 75 per month is to be paid to each trainee for the period of training, which will be for about three months.

Total estimated cost under the scheme is shown below:—

1951-52	1952-53	1953-54	1954-55	1955-56	Total of Five years. (1951-56)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
7,166	6,000	12,000	9,457	9,557	44,180

II. Rehabilitation of Co-operative Movement.

The progress so far made by the Co-operative Movement under the Development Scheme now under execution, demands further expansion in various directions. Yet for the achievement of real and lasting result, it is imperative to consolidate and rehabilitate the co-operatives in existence. The main pillar on which our work has depended is the rural co-operative. This must be placed on fair footing, while we take up any scheme of co-operative development. The volume of work which will be involved to make any real progress requires that the staff should be adequately strengthened with trained personnel. This apart, rural credit societies need ready and adequate finance. At the present time want of money is preventing people from purchasing much-needed cattle, agricultural implements, seeds etc. to carry on properly their agricultural operations. The prevailing high prices are also acting to their disadvantage. With agricultural finance very shy, the cultivators are driven to the fold of money-lenders, who are ever ready to take advantage of their

* Notes supplied by the Registrar of Co-operative Societies, Assam.

helplessness. Even though the magnitude of adequately financing the rural population is very great, yet a beginning could be made to ease the situation to some extent by providing Rs. 9 lakhs and seventy thousands for loan within 5 years. It is expected the issue of loans at reasonable rate will have the desirable repercussion to bring down the existing rate of interest.

Total estimated cost under the scheme is shown below:—

1951-52	1952-53	1953-54	1954-55	1955-56	Total of Five years. 1951-56
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,00,000	1,00,000	3,00,000	2,00,000	70,000	9,70,000

III. Construction of Godowns

The purpose of the scheme is to construct a few suitable godowns for the storage of the agricultural produce and industrial products of the agriculturists, artisans and industrial workers. The absence of these is preventing the trading co-operatives in playing their full part in improving the economic condition of the people. They will be helped to hold on their produce for better prices instead of falling an easy prey to speculators or money-lenders. It is proposed to construct 16 godowns in places more suitable and beneficial to the people.

Total estimated cost under the scheme is shown below:—

1951-52	1952-53	1953-54	1954-55	1955-56	Total of Five years. 1951-56
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,00,000	1,00,000	2,50,000	2,00,000	1,50,000	8,00,000

It is proposed to construct two godowns in each of the 1st and 2nd year, five in the third year, four in the fourth year and three in the fifth year at a total expenditure of Rs. 8 lakhs. The measurement of each of them will be 150' x 20' involving an expenditure of Rs. 50,000 each approximately, including both land and construction.

IV. Amelioration of Backward Classes

The object of the scheme is to offer much-needed facilities to scheduled castes and tribes for their economic upliftment through co-operative efforts. It is expected that co-operative organisation being the most suitable form of economic organisation will help these people to pull together their slender resources for their general development. The democratic and co-operative spirit inherent in backward classes will thereby find a proper, ready and well-deserved outlet if their economic activities are organised co-operatively on the lines indicated below.

Trading Co-operatives:—These are organisations of groups of individuals for buying the necessities of life more cheaply; to market cottage industries products and agricultural produce at the best possible price. The primary trading co-operatives will be affiliated to Central Trading Co-operatives which shall buy whole-sale the goods required by their affiliated societies and market their surplus products

To enable trading co-operatives to buy the necessities of life and to market cottage industries products and agricultural produce, arrangement for storage is indispensable. A number of societies in existence are feeling this need. Hence it is proposed to construct 4 godowns at suitable places in five years at a total expenditure of Rs. 2 lakhs.

Co-operative Credit Societies:—The provision for marketing facilities meets only one aspect of their economic activities. For its proper utilisation they need credit at reasonable rate of interest. Ready and cheap finance is also required for agricultural operations. At present lack of money and of borrowing facilities forces these rather backward people into the clutches of unscrupulous money-lenders and traders.

It is proposed to increase the number of rural societies by making available Rs. 2,56,000 within 5 years for granting loans at cheap rates of interest. Such action, it is expected, will help the people to co-operate and bring down the general rate of interest.

Besides the types mentioned above co-operatives among individuals following common vocation such as fishing, weaving, sericulture, etc., require to be established in larger numbers.

Total estimated cost under the scheme is given below :—

1951-52	1952-53	1953-54	1954-55	1955-56	Total of five years 1951-56
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,18,000	88,000	1,00,000	1,00,000	50,000	4,56,000

One godown measuring 150' x 20' at a cost of Rs. 50,000 will be constructed in the first year. The balance of Rs. 68,000 will be given as loans to credit societies.

Another godown measuring 150' x 20' at a cost of Rs. 50,000 will be constructed in the second year. The balance of Rs. 38,000 will be given as loans to credit societies.

In the third and the fourth years two godowns measuring 130' x 20' at a total cost of Rs. 1 lakh will be constructed and a total amount of Rs. 1,50,000 will be given as loans to credit societies in the three years, 1953-1956.

V. Establishment of Ginning Mills

The object is to establish two Ginning Mills in the Garo and Mikir Hills. The total production of seed cotton in the Garo Hills is about 60,000 mds. The present experiment of getting the growers to market their produce through trading co-operatives has been most promising, resulting in the elimination of unscrupulous petty traders and the getting of very much higher prices for the cultivators. At the present stage of development the Central Trading Co-operatives, to which primary trading co-operatives are affiliated, sell the cotton procured either to ginners or to big traders. It is expected that the establishment of ginning mills will further increase the benefits now derived by the growers. As the installation of machinery required for a mill would be costly and beyond the capacity of the people concerned, financial aid to them is essential. In order, however, to encourage them to take the initiative and strive for self-improvement, it is proposed to contribute Rs. 1½ lakhs towards the establishment of each mill as follows :

1951-52	1952-53	1953-54	1954-55	1955-56	Total of Five years (1951-56)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10,000	2,00,000	40,000	30,000	20,000	3,00,000

Cost of Administration and Extension (Staff) under the above Five Schemes

	1951-52.	1952-53	1953-54	1954-55.	1955-56.	Total of Five years 1951-56
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Rehabilitation of Co-operative Movement. ...	94,140	1,74,826	1,76.405	1,81,270	1,87,000	8,13,641
Training of office bearers of societies.	6,146	9,674	9,966	10,514	11,253	47,553
Construction of Godowns. ..	24,269	41,477	40,409	41,321	42,028	1,89,504
Amelioration of Backward Classes. ..	41,574	59,890	68,347	72,062	77,091	3,19,064
Ginning Mills ...	6,884	11,854	12,876	13,870	14,574	60,054
Total (Administration.) ..	1,73,013	2,97,821	3,08,003	3,19,037	3,31,946	14,29,820

CO-OPERATIVE DEVELOPMENT FOR EAST PUNJAB*

The expansion programme for the current year has been chalked out by the Department, which is as under.—

1.	No. of new societies to be organized ...	993
2.	Admission of new members in old societies ...	24,887 Members.
3.	Improvement of D class and C II Class societies ...	464 Societies.
4.	Restart of shares from members in societies ...	419 Societies.
5.	Deposits to be attracted ...	Rs. 66,250
	Contributions to be raised ...	„ 3,08,435
6.	Under liquidation societies to be finally wound up ...	254 Societies.
7.	Time-barred cases to be finished ...	28
8.	Bad and doubtful debts to be reconciled ...	107
9.	No. of Wardha type Kholus to be introduced ...	7
10.	Conferences to be held ...	18

The above expansion programme also includes organisation of 80 tubewell sinking societies. Similarly great stress is being laid upon the field staff to organise the largest possible number of Multipurpose and Co-operative Farming Societies throughout the State in the rural areas during the current year.

The societies will also do their best to help the various schemes launched by the State Government from time to time such as the "Grow More Food Campaign", "Van Mahotsava", "Small Savings Scheme", "Lac Cultivation" etc.

In addition to the above the educational staff working under the Educational Assitant Registrar will hold Inspectors', Sub-Inspectors', and Secretaries' classes. The educational staff will also deliver lectures in educational institutions and other public gatherings and will also arrange refresher courses for clerical establishment and field staff.

The record of societies which was destroyed during the last disturbances will also be prepared by the field staff.

The partition branch will try to complete the work of verification of claims and settle the same with the Co-operative Department, Punjab (Pakistan), Lahore, at the earliest.

*Note supplied by the Registrar of Co-operative Societies, East Punjab.

CO-OPERATIVE DEVELOPMENT SCHEMES FOR MYSORE*

The National Planning Commission have laid emphasis on the economic development of the country on the basis of decentralised Co-operative Planning. As they are convinced that the gulf between the individual freedom and the interest of the community can be bridged only by co-operative methods and means, co-operative methods and ideals have come to be recognized in an increasing degree, for bringing about a radical change in the solution of several problems confronting the national economy of the country. In this background, several suggestions and recommendations have been made by the Planning Commission for adoption by all State Governments. The recommendations made by the Planning Commission are herein examined in the light of the development schemes which our State has taken up for consideration in accordance with the local conditions and resources available. The targets in regard to the immediate programme for the next five years are also indicated and the progress so far achieved and the distance to be traversed for the completion of the schemes are also briefly indicated against each scheme.

On page 100 of the Draft Five Year Plan on "Co-operative Village Management" it is stated that Registered Farms and Co-operative Farms are proposed as the most suitable methods at present available of increasing the size of the unit of the land management in agriculture and organising as large a sector as possible as an efficient industry. It is proposed that (1) Holdings above a certain level to be prescribed should be organised as registered farms and (2) Holdings below the prescribed level should be brought together increasingly with small co-operative farms.

The manner in which Mysore State has taken up consideration of this subject and the implementation thereof are briefly indicated as follows:

Reference is invited to scheme No. 8 of the schemes under post-war development schemes formulated by the Agricultural Policy Committee of the Economic Conference, so long back as 1946.

In order to ameliorate the condition of the peasants, fragmentation of holdings has to be consolidated. This was proposed

*Note supplied by the Registrar of Co-operative Societies, Mysore.

Among the Post-war Development Schemes formulated by the Policy Committee on Agriculture of the Economic Conference, the organisation of a Central Silk Marketing Co-operative Society was formulated. The scheme was intended to help the rearers and reelers of silk throughout the State. The main object of the society was to eliminate the middlemen and to secure the best possible price for the silk tendered by the members of the society. It was also intended to act as a "Fair Price Depot" in the market. Though the draft byelaws and other preliminary spade work were undertaken for the organisation of the Central Silk Marketing Co-operative Society, it was at a later stage dropped. This scheme was, therefore, not implemented. After the introduction of the Rural Industrialization Scheme on the lines envisaged by Sir M. Visveswariah in the two districts of Bangalore and Kolar, the organisation and development of industrial co-operatives gained added momentum.

Apart from 115 weavers' co-operative societies, there are 21 other industrial co-operative societies in the State. These 21 industrial co-operative societies are spread over the State as follows:

Type of Industrial Co operatives.	Places where they are working.
1. Kambli Marketing Co-operative Societies ...	Chiknaikanahalli, Tumkur District and Turuvanur and Rampur in Chitaldrug district.
2. Leather Workers' Co-operative Societies ...	Bangalore and Malavalli in Mandya district Doddasiddavvanahalli, Chitaldrug district.
3. Jalapuri Cobblers' Co-operative Society ...	Mysore.
(The membership of these societies consists mostly of Adikarnatakas)	
4. Gudigars' co-operative societies for sandal-wood carvings ...	Sagar and Sorab in Shimoga district.
5. Gota manufacturers' co-operative societies ...	Bangalore City.
6. Co-operative societies for brassware ...	Shravanabelagola and Kantharajapur in Hassan district and Nagamangala in Mandya district.
7. Cart manufacturers' co-operative societies ...	Hunsur in Mysore district.
8. Lacquer-ware co-operative society ...	Channapatna, Bangalore district.
9. Bee-keepers' co-operative societies ...	Saklaspur in Hassan district and Mudigere in Chickmagalur district.

Most of these societies are in moribund condition for the following reasons:

1. Lack of adequate and continuous technical supervision.
2. Absence of central institutions organised on sound lines.
3. Absence of financing machinery.
4. Inadequate supplies of raw materials.
5. Lack of training of workers.
6. Absence of arrangements for teaching up-to-date designs and patterns.
7. Lack of marketing facilities.

State assistance, financial and technical will therefore be required for the resuscitation of these societies. Action has already been taken for the organisation of a Provincial Cotton Handloom Weavers' Co-operative Society, on the lines obtaining in the State of Madras. The provision made in the budget estimate of the Department of Industries and Commerce for the purchase of raw materials, such as yarn and dye-stuffs and establishment of the weaving centres, dye-house and sales depot at Bangalore has been transferred to the Provincial Cotton Handloom Weavers' Co-operative Society. The Director of Industries and Commerce of Mysore is the President of the society and an officer of the status of an Assistant Registrar of Co-operative Societies in this Department is appointed as Secretary of the society to manage its affairs. Many of the problems now confronting equitable distribution of yarn among the weavers are solved by the organisation of this Provincial Handloom Weavers' Co-operative Marketing Society. A sum of Rs. 12,500 has been earmarked for subvention to this society in the Departmental Budget Estimate for the current year.

In order to ameliorate the condition of the weavers employed in silk industry, a Provincial Silk Handloom Weavers' Co-operative Society was organised under the Chairmanship of Sri D. C. Subbarayappa, Retired Senior Assistant Commissioner. The services of a Senior Inspector of Co-operative Societies have been placed at the disposal of this society for employment as Assistant Secretary. This society has commenced working and has made rapid strides in its progress.

A Silk Power-loom Weavers' Co-operative Society has also been organised and registered last year. The power-loom owners have become members of this society.

A Provincial Woollen Handloom Weavers' Co-operative Society is proposed to be organised and registered shortly. The object of the society is to ameliorate the condition of those employed in the woollen industry in this State. Its area of operations will extend to the entire State.

It is also proposed to organise an agency for providing medium-term and long-term finance to the primary weavers' co-operative societies. Draft bye-laws for a Provincial Industrial Co-operative Bank have been framed and a Central Agency for financing the Industrial Co-operatives will be organised under the auspices of the Rural Industrialization Scheme.

CO-OPERATIVE DEVELOPMENT PLAN FOR PEPSU*

A sum of Rs. 15 lakhs has tentatively been sanctioned by the Government for the 5 year Co-operative Development Plan in Pepsu as per details below:

Expenditure proposed on :—

			Rs.
1.	*Administration* (Organisational staff)	...	5,21,883
2.	*Education and Training* (Training Institute for Pepsu, Central Co-operative Library, Publicity and Propaganda).	...	2,75,000
3.	*Credit* (Subsidy to the Provincial Bank.)	...	1,78,117
4.	*Farming Schemes* (Subsidies to Better Living, Joint Farming etc.)	...	3,00,000
5.	*Other Schemes* (Industrial organisation, rewards to workers and Co-op. Fairs and Exhibitions)	...	2,25,000

*Note Supplied by the Registrar of Co-operative Societies, Pepsu.

PLAN FOR DAIRY DEVELOPMENT IN THE STATE OF TRAVANCORE COCHIN*

General plan.—The scheme herein given envisages a Five-Year Plan of Dairy Development, and is more or less based on the scheme followed by the Government of Madras. The scheme will begin from 1951-52. It is estimated that at the end of the fifth year, there should be in the State 8 milk supply unions working at important centres in the State—viz. Nagercoil, Trivandrum, Quilon, Alleppey, Kottayam, Alwaye, Ernakulam and Trichur. To supply milk to these unions in urban areas, there should be a minimum of 24 primary feeder societies functioning in rural areas. Cattle breeding and salvaging farms are a necessary concomitant of milk supply schemes and the proposal is to have at least 4 breeding and salvaging farms. The idea is to establish two centres each in the Travancore and Cochin areas. With the limited facilities in towns to feed cattle, cattle fodder farms are also necessary. Eight fodder farms have to be established each affiliated to the respective milk supply union.

The result will be that pure, unadulterated milk and milk products will be available to the principal towns of the State. The eight milk unions together will be able to supply and distribute 8 lakhs of pounds of pure milk to the people, at the end of the 5th year. That will mean that the milk scheme will maintain a minimum of 2,000 families engaged solely in the dairy industry besides giving employment to more than 250 persons. There will be a tangible improvement in the agricultural industry in the areas where the scheme is worked and the improvement of cattle, both drought and milch cattle, will be a sure result. The establishment of a standard provincial breed for the State can be achieved. The State is at present importing about Rs. 17 lakhs worth of milk and milk products (figure for 1948-49). This drain could be considerably reduced as a result of the scheme.

Cattle Insurance and Cattle Mortality Fund.—Along with the milk scheme and the dairy development operations it is proposed that there should be provision for cattle insurance and cattle mortality fund. All milk supply societies and unions will be compelled to incorporate suitable provisions in their byelaws. The milk supply societies have to set apart ten per cent of their net profits every year towards this fund. The Government have proposed to undertake a census of cattle during the year 1951-52. At the end of the fifth year of the scheme i.e., 1955-56, a second cattle census should be taken to assess the result of the scheme in

*Note supplied by the Registrar of Co-operative Societies, Travancore-Cochin.

general and to gauge the nature of improvement of cattle in the State.

Central Research Institute.—The constitution of a "Central Co-operative Dairy Research Institute"—on the lines of the Bangalore Dairy Research Institute—is contemplated to begin functioning from the first year of the scheme. All the milk unions and breeding and salvaging farms will be affiliated to the Research Institute and they will contribute partly to the funds for the up-keep of the Institute. The Institute will be the brain centre for the dairy scheme, imparting knowledge in the fields of cattle improvement, breeding and salvaging of cattle and, above all, training of persons in the industry. The Travancore-Cochin University at present does not seem to have provision for studies in dairying or animal husbandry. The working of the Institute will give a definite lead towards the improvement of local live-stock, local agriculture and dairying. The Director of Research of the University may be an ex-officio Director of the Institute. The Government of India, through the Indian Council of Agricultural Research, may subsidize the Institute and the contribution to be made by the State Government will be very small.

Constitution of a Milk Board.—To place the whole scheme on an efficient footing under the direct control of experts, the formation of a "Central Milk Board" for the whole State is not only advisable but necessary. The Indian Council of Agricultural Research recommends the formation of Milk Boards in all the States, and the Planning Commission has accepted this proposal. At present, besides a Central Milk Board at Delhi, there are Milk Boards functioning for the States of Bombay, Madhya Pradesh and Mysore. Madras is just going to have one. The State Government may initiate the constitution of a Central Milk Board, consisting of the Hon'ble Minister for Co-operation as Chairman, the Registrar of Co-operative Societies, the Director of Animal Husbandry, the Director of Public Health, the Director of Agriculture, the Chief Conservator of Forests, the Commissioner, Trivandrum City Corporation and the Surgeon-General, besides the non-officials, viz., Sri P. Amrithanatha Iyer, Member, Central Food Committee of the Indian Council of Agricultural Research, Delhi, Sri S. K. Panicker, Retired Engineer, Kumarapuram, Pattom, Trivandrum, Dr. E. K. Madhavan, Ex-Minister and Sri K.N. Raman Pillai, Retired District Collector, President of the Trivandrum Milk Supply Union. The Dairy Development inspector will be the Secretary of the Board.

Scheme of Work for the Year 1951-52.—(1) Development of the existing Trivandrum Milk Supply Union. The Union is now supplying 1,500. lbs of milk per day. This has to be increased to 2,000 lbs. For this at least 3 more primary societies have to be organised—one at Kaladi, another at Peroorkada and the third at Kulathoor, bringing the total primary feeders to ten. This involves also the development of the existing primary milk societies at Tirumala, Nemom, Vattiyoorkavu, Sasthamangalam Vazhuthacaud, Vilappil and Mudavanmugal.

(2) Development of the Nagercoil Milk Supply Union: This Union now distributes about 400 lbs. of milk per day. The target is 1,000 lbs. at the end of 1951–52. Six societies are supplying milk to the Union at present. Four milk supply primary societies are to be organised in the year at Vellamadam, Eraviputhur, Putheri and Theroor.

(3) Establishment of a cattle breeding farm at Easanthimangalam or Darsanamcope, as an appendage to the Nagercoil Milk Supply Union.

(4) Organisation of a cattle breeding farm for the Trivandrum Centre.

(5) Organisation of a milk supply union at Alleppey with primary feeder societies in Ambalapuzha, Munkombu and Thakazhi.

(6) Organisation of a milk union at Quilon with primary units at Quilon, Chathannoor and Mayyanad.

(7) Organisation of a cattle breeding farm at Canni.

(8) Organisation of one cattle fodder farm at Chooliamala, Palode, Nedumangad

The constitution of the Central Milk Board for the State has to be taken on hand immediately as the first step towards implementing a comprehensive dairy development programme.

Financial Aid by Way of Loans.—To make the whole scheme a success, to achieve the object of introducing improved breed of milch cattle, and to guarantee supply of pure milk in the cities when the quantities handled go higher up as in Trivandrum at present, Government's financial help becomes necessary and essential. Government may be pleased to grant interest-free loans or loans at a low rate of interest (not exceeding 3 per cent) for purchase of improved breed of cattle and also for purchase of a pasteurisation plant by the Trivandrum Milk Supply Union.

FIVE YEAR CO-OPERATIVE DEVELOPMENT PLAN FOR VINDHYA PRADESH*

It is proposed that an attempt should be made to bring 50 per cent of villages and 30 per cent of rural population within the ambit of co-operative societies within 5 years. The membership of a primary society should be 50. The rural population of Vindhya Pradesh is 31,00,000. Taking the average membership of a family as five, it will be necessary to have about 1,86,000 persons as members of the primary societies in order to reach the target. The membership of the existing primary societies is 10,500, the average for a society being 22. Thus 470 existing societies, enrolling 13,000 additional members at the rate of 28 per society will be 23,500, leaving a balance of 1,56,500 to be enrolled into new societies within the next 5 years. This means that on an average 31,300 members should be brought into the co-operative fold and 625 societies organised every year in Vindhya Pradesh.

Staff :—The success of the plan will depend to a large extent on the arrangements for direction, audit and supervision of 625 societies proposed to be organised every year. There should be 4 supervisors, 2 auditors, and one Inspector for every 100 societies ; one District Co-operative Officer for each Revenue District and one Deputy Registrar for the whole of Vindhya Pradesh. On the basis of 6 districts in Vindhya Pradesh, the estimate of staff required for inspection, audit and supervision of existing societies, as well as for 625 societies proposed to be organised in the first year will cost Rs. 1,22,600 increasing by Rs. 60,000 every year.

The total cost for the first five years will be Rs. 12,13,000.

The Deputy Registrar and 6 District Co-operative Officers will be recruited in the first year. Six Inspectors, 12 auditors, 24 supervisors and 42 peons will be recruited every year for fresh organisation of the 625 proposed societies.

CO-OPERATIVE FARMING

The main features of co-operative farming come within the scope of co-operative joint farming society in which the village as a whole is taken as the unit of management. An humble beginning of co-operative farming is suggested in the first two years in two districts of Vindhya Pradesh. Widest publicity will be

* Note supplied by the Registrar of Co-operative Societies, Vindhya Pradesh.

given in the form of leaflets and wall notices of the economic benefits obtained, at the same time urging the peasants of neighbouring villages to visit the experiments and satisfy themselves on the spot.

Co-operative better farming societies will be more extensively organised. Two such societies will be organised in each district in the first year. As the formation of such societies is imperative in the economic interests of the State, the expenditure in running such societies will be borne by the Government in the first two years. It is therefore suggested that a grant of Rs. 20,000 for two years be sanctioned for the purpose. In the rest 3 years of the period, efforts will be made to have at least one such society in each tehsil. Small subsidy to act as incentive to the formation of such societies is also proposed and for that a sum of Rs. 30,000 for 3 years is recommended. The number of societies will increase every year. Therefore the rate of subsidy will be on a sliding scale. This will indirectly help the societies to stand on their own legs after gaining experience. Thus the total grant for 5 years under this head will be Rs. 50,000.

AGRICULTURAL MARKETING

The small surpluses of individual farmers are collected and concentrated in a wholesale market ; the fluctuating supply of farm products is adjusted to the constantly changing consumers' demands.

It has been recommended that the aim should be to convert primaries into multipurpose societies gradually. Multipurpose societies will be linked to marketing societies. In each tehsil of Vindhya Pradesh there should be one marketing society. Thus 28 such societies are to be organised in Vindhya Pradesh in five years' time. These marketing societies should be able to sell at least 20 per cent of the total annual marketable surplus of agricultural produce at the close of the fifth year of the plan. Every marketing society should have a godown the whole cost of which should be met by a free grant from the Government. The cost of construction of a godown is estimated at Rs. 10,000. The total cost for construction of 26 godowns will come to Rs. 2,60,000. In the first two years only 8 godowns will be constructed and in the next 3 years the remaining 18. Thus the total cost for the first 2 years will be Rs. 80,000 and then Rs. 1,80,000 in the next 3 years.

The Government should provide subsidy to marketing societies to the extent of 60 per cent of the establishment charges for one year only to each society from the time of organisation. Each marketing society should have one manager at Rs. 75 per month and a cashier at Rs. 50 per month. The total expenditure for one year for a society will be Rs. 1,500. In the first two years there will be four such societies. The amount of subsidy from Government in the first two years will be Rs. 6,000 and in the next 3 years Rs. 13,500.

Provincial Marketing Federation :—In order to co-ordinate the working of all the marketing societies, organisation of a Provincial Marketing Federation is unavoidable. The Federation will require a godown, the cost of which should be borne by the Government. The Government should give a subsidy for the first two years up to 50 per cent of the establishment charges and 25 per cent thereafter till the 5th year. The cost of godown is estimated at Rs. 30,000. The Government should give full cost as free grant.

The establishment charges will come to Rs. 11,160 per annum. The Government will pay Rs. 11,160 in the first two years and Rs. 8,370 during the subsequent 3 years. Total subsidy will come to Rs. 19,530.

Government Staff for Organisation and Supervision :— Maintenance of adequate staff for direction, supervision and organisation of marketing institutions is most essential. The estimates are given as under—(i) The Registrar should get an assistant for this work alone. His salary should be Rs. 350 per month. (ii) In each district there should be one District Marketing Officer and one auditor. Thus 6 District Marketing Officers on Rs. 200 per month and 6 auditors on Rs. 150 per month will be required.

The total estimate of cost in the first two years will be Rs. 16,800 and in subsequent years Rs. 29,400.

EDUCATION AND TRAINING

It is necessary that we should in our plans for co-operative development, give a very important place to dispelling ignorance amongst rural population by imparting knowledge and supplying general information besides co-operative education and training.

As regards training of members of managing committees, Secretaries and Presidents of the societies, classes of short duration, not exceeding ten days, will be held at convenient centres. For this purpose it is proposed that one educational supervisor of the status of a co-operative Inspector be appointed. His average salary will be Rs. 150 per month. The average expenditure on

Travelling Allowance will come to Rs. 50 per month. A peon will be given to him. It is presumed that he would be able to hold classes at about 30 places in the first year. Miscellaneous expenditure at each centre will be about Rs. 10. Thus the total average cost for the first year will come to Rs. 3,500. This staff will be increased yearly. Thus the expenditure for first two years will be Rs. 10,500 and for the subsequent 3 years Rs. 42,000 The total expenditure under this head will be Rs. 52,500 for five years.

Estimate of the cost of Training School for staff of Co-operative Department:—In the first year, it is proposed to start the training school with three lecturers. The average pay of each will be Rs. 175 per month. The total cost for the first year including contingent expenditure will be Rs. 8,000. No increase in the teaching staff would be necessary in the second year. So the total cost for the first two years will be Rs. 16,000. The staff will be doubled in the third year. So the total cost for the subsequent three years will come to Rs. 48,000. Thus the total cost for five years will be Rs. 56,000.

CREDIT

The expansion of co-operative movement will provide the best and lasting solution of the problem of agricultural credit in particular and the problem of rural economy in general. After examining the different types of credit systems, a Provincial Co-operative Bank named Vindhya Co-operative Bank was organised here in the near past on the lines of Provincial Co-operative Banks of other States. The bank has not yet been able to attract deposits and share capital because of absence of any guarantee from the Government. In order that this bank may succeed in solving the problem of agricultural credit and may be able to supply adequate finance to the societies to be organised according to the programme chalked out above, adequate financial assistance is necessary. The Government should also:— (1) guarantee a minimum dividend of 3 per cent on the shares for five years, (2) guarantee the principal and interest for five years, (3) bear in the first two years full cost of establishment.

It is, therefore, proposed that financial assistance in the shape of grant of Rs. 5 lakhs be given to the Vindhya Co-operative Bank in the first two years and Rs. 10 lakhs in the subsequent 3 years. If this grant is made and guarantee as suggested above is given, the bank will be able to inspire confidence in the public and will raise enough share and deposits to tackle the vast problem of credit.

PLANNING OF CO-OPERATIVE MOVEMENT IN BOMBAY STATE*

The various schemes of development drawn up by this Department cover a comprehensive plan of development of co-operative movement in the State, particularly in rural areas. The objective of the plan was to raise the economic level of the country-side, and to increase the well-being of the masses by adoption of measures aiming at provision of better credit, better marketing, better farming, and promotion of cottage and subsidiary industries.

The Schemes drawn up aim at the building of an integrated structure of rural finance, inculcation of the multipurpose ideal amongst rural primaries, development of agricultural and co-operative marketing, organisation of farming and lift irrigation societies for stepping up food production and provision of housing facilities to backward classes.

The Post-War Reconstruction Schemes were financed from Post-War Reconstruction revenues, while the Development Schemes, were financed from ordinary revenues. From the point of view of the presentation to the public, however, all the developmental activities which are classified as Post-War Reconstruction or known as Development Schemes, have been continued and are proposed to be included in the National Plan.

The Planning Commission has laid emphasis on agricultural development. It has also suggested the need of establishing Co-operative Village Management, and formation of Village Production Councils. It has recognised the need to utilise co-operative movement as the effective channel through which Government aid to finance and supplies should be made to the cultivators. The recommendations of the Planning Commission were considered by the Bombay State Co operative Council, in its meeting held in November 1951.

The following schemes are proposed to be remodelled and re-vitalized so as to fit in with the recommendations contained in the National Plan :—

(1) The Marketing Development Work.

(2) Organisation of Co-operative Farming Societies.

(3) Organisation of Co-operative Lift Irrigation Societies.

Following is a brief synopsis of the above schemes.

*Note supplied by the Registrar of Co-operative Societies, Bombay.

The Marketing Development Work.

i. Regulated Markets.—The Post-War Reconstruction Scheme envisaged the establishment of a net work of regulated markets in the State. According to the revised Plan formulated in the year 1947, it was proposed to regulate at least half the number of existing markets in the State on the basis of one major market at each Taluka centre and thus establish a chain of 110 regulated markets by the end of March 1952. On merger of adjoining Deccan and Gujarat States in the year 1949, regulation of markets in the merged areas was taken up simultaneously.

The National Planning Scheme should aim at continuing the process of regulating the remaining markets so as to cover the whole field and bring within the purview of regulation a large number of agricultural and animal husbandry products. Establishment of regulated markets is a preliminary step to achieve the three fold object "to secure to the cultivator better prices, fairer weighment and freedom from illegal deductions". The scheme is designed also to undertake the consolidation of the work already done and bring about healthy development of these regulated markets. The Plan of consolidation is undertaken with a view to increase the utility of these regulated markets and to help them to function more efficiently. Attempts will be made to see that these regulated markets are equipped with various facilities and amenities and still the cost of marketing is reduced. The Market Committee will be guided and helped in introducing essential marketing reforms for creating conditions conducive to more fair competition. Past experience has proved that no radical improvement in the entire field of agricultural marketing, particularly in the direction of strengthening the bargaining power of the cultivator and creating conditions favourable for him to sell his produce with confidence and without any apprehension of being cheated or unfairly dealt with, is possible by merely establishing regulated markets which form a single link in the marketing chain for promoting orderly marketing by regulating market practices and eradicating malpractices in the trade. Hence under the National Planning Schemes it is necessary to emphasise the need for more well conceived and comprehensive step to achieve the above object by undertaking various ancillary measures, such as co-operative marketing, licensed warehousing etc., to buttress the scheme for development of regulated markets and thereby bring about all-round development of agricultural marketing with a view to help the cultivator in realising an adequate price for his produce.

ii. Co-operative Marketing.—The Post-War Reconstruction Scheme also envisaged the formation of Co-operative Sale Societies, for every regulated market to work as Commission Agent on behalf of other co-operative societies and primary producers and also co-operate with the Market Committee in the introduction of essential marketing reforms. The Co-operative Sale Organisation will be helped to undertake the business of warehouseman under the Bombay Warehouses Act for bulk pooling, storing, grading, processing and sale.

iii. Agmark Grading :—It is proposed to take vigorous and intensive propaganda for popularising "Agmark" grading and sale, with the help of co-operative sale societies and the Market Committees. Various measures for inspection of 'agmark' graded produce and grading centres, to ensure adequate control of quality of the graded produce and proper grading, will be introduced. Attempts will be made to introduce standard methods of grading and popularise sale of produce of standard grades by standardisation in quality and improving the quality of produce, for which no prescribed grade designations have been applied under the "Agricultural Produce (Grading and Marketing) Act, 1937." This process would ultimately pave the way for introducing sale by sample or description.

iv. Licensed Warehouses :—Establishment of licensed warehouses under the Bombay Warehouses Act, 1947, at the regulated markets and at important commercial places, is another help contemplated by making available liquid funds required for the agriculturists. Provision of adequate warehousing service combined with regulation of assembling markets will greatly help the primary producer in obtaining an adequate price for his produce. A warehouse receipt being a negotiable instrument, the farmer would obtain adequate credit from banks at a lower rate of interest.

v. Price Intelligence :—In order to fittingly strengthen and supplement the attempt at regulating markets, it is essential to introduce Price Intelligence Service for dissemination of reliable and accurate ruling prices at Bombay and other important Markets for the use of the Market Committees, Co-operative Sale Societies, producers and others and thereby help the cultivator to realise for the type and quality of his produce a price on parity

with the rates prevailing for the same type and quality in a key market like Bombay.

vi. Transport :—It is proposed under the scheme to attend to the various complaints regarding congestion in transport etc., and arrange for transport to important consuming centres by securing co-operation and assistance from the Railway Authorities with a view to regulate the flow of goods and maintain steady prices.

vii. Survey Reports :—It is proposed to make greater use of the marketing survey reports in introducing better methods of clearing, handling, storing, grading and processing, by carrying on propaganda and publicity through the Market Committees and co-operative sale organisations.

Organisation of Co-operative Farming Societies

In the year 1949, Government sanctioned a scheme which visualised the formation of 112 Farming Societies in the course of five years. The scheme aimed at increasing the yield of lands and securing better return to the cultivators by consolidation of their holdings and by adoption of methods of improved farming and marketing of agricultural produce. With a view to facilitate the planning and execution of the schemes for the general good of the farmers, the principles of coercing the recalcitrant minority to fall in line with the majority, as in the case of Crop Protection Societies, was extended to Farming Societies and in 1948, the legislation was enacted by suitable amendment to the Bombay Co-operative Societies Act, which enables Farming Societies to promote schemes of land improvement, where 60 per cent of the owners owning 75 per cent of the land in the aggregate agree to form a Farming Society. Various facilities were granted by Government by way of grant of loans and subsidies for purchase of improved agricultural implements, purchase of heavy machinery as well as other financial and technical assistance. The services of trained assistants have also been made available to them to work as Managers.

The Farming Societies were divided into three main categories.

(a) Co-operative Joint Farming Societies.
(b) Co-operative Tenant Farming Societies.
(c) Co-operative Collective Farming Societies.

Usually the lands of the following categories would be made available to these Farming Societies :—

1. Lands which are under cultivation in fragments but which could be pooled together for joint cultivation on co-operative basis.

2. Government lands or lands earned by absentee land lords which are actually under cultivation.

3. Government waste lands or private uncultivated lands which need to be reclaimed or developed and are not ready for cultivation.

So far, there has been good response from the agriculturists for the formation of these societies, inasmuch as though the target for five years was fixed at 112 societies, actually 123 societies have been registered, earlier by two years within the target period. The following table gives information about the growth of co-operative farming in the State of Bombay upto 30-11-1951.

Year.	No. of socys. regd.	Membership.	Area covered. Acres.
Existing prior to 1949 ...	32	1,303	7,985
1949 to 30-11-51 ...	123	3,704	40,070
Total ...	155	5,007	48,005

Of these, 83 societies have taken up cultivation of waste lands by adoption of improved methods of agriculture Upto 30-11-1951, 98 societies covering an area of 37,757 acres were advanced loans totalling Rs. 5,86,050 and subsidies totalling Rs. 1,62,220 by Government.

The existing scheme of formation of Farming Societies is proposed to be incorporated with the scheme of National Plan chalked out by the Planning Commission and to have a comprehensive plan to be worked out in the next five years. Under the revised plan, the scheme would be applied to the whole of Bombay State and it is contemplated that six Farming Units consisting of special staff, viz. District Co-operative Officer, District Officer and Assistant District Co-operative Officer for Farming would be stationed at suitable centres. The primary duty of the staff would be to carry out intensive propaganda, explain the benefits of co-operative farming amongst persons interested in agricultural development, make detailed survey of the various types of lands and their productivity and to prepare schemes for contribution of land, labour and capital so as to secure optimum yield and equitable distribution of the produce between the cultivators and owners of lands, and take such other steps as may be necessary for the organisation of farming societies. The staff will be in constant touch with other Departments and social workers interested in the movement of co-operation.

During the next five years it is proposed to have 250 Farming Societies covering an area of 50,000 acres. It is proposed also to form 5 large-scale Associate Farms. The total recurring and non-recurring cost for employment of staff and grant of subsidy etc. to the societies is estimated roughly at Rs. 25 lakhs.

The assistance from Government to the scheme would be briefly as follows :—

(1) Remission of land revenue of lands coming under the scheme.

(2) Grant of subsidy on a graduated scale for the first three years.

(3) Short-term and long-term loans at cheap rates of interest.

(4) Financial assistance by way of loans and subsidies for construction of godowns.

(5) Special assistance by way of contribution to share capital, etc. in the case of Backward Classes' Societies.

(6) Assistance of the Agricultural Department for giving technical advice etc., for land development purposes.

It will be seen that the scheme essentially aims at increased production and will result in economic betterment of agriculturists and the State would stand to benefit by way of increased production that would result by the development and improved methods of cultivation that would be undertaken by the societies coming under the scheme.

Organisation of Lift Irrigation Societies

The Bombay Government provides the following assistance to co-operative societies for purchase and installation of lift irrigation machinery.

(A) Loans to the extent of 50 per cent of the cost of purchase and installation of the Lift Irrigation Pump and Machinery, construction of jack-wells, *intake* pipes, engine sheds, sumpwells, rising main and discharging tank. The loan will bear interest at 3½ per cent per annum and will be repayable in 15 annual instalments, the first instalment being due one year after the actual commencement of irrigation of the lands. As security for the repayment of the loan, the machinery purchased out of Government loan as well as the lands of the members to the extent of twice the value of the amount of the loan shall be taken in mortgage.

(B) Subsidy equivalent to 50 per cent of the cost of purchase and installation of the Lift Irrigation Pump, machinery, construction of jackwells, intake pipes, engine sheds, sumpwells, rising main and discharge tank, subject to the maximum of Rs. 150 per acre of the lands to be brought under cultivation. The area eligible for subsidy under this clause would be the physical cultivated area included in the scheme, or the gross area which may be irrigated under the irrigation scheme in a year, whichever is less.

(C) Subsidy at the rate of Rs. 900 for the first year and Rs. 450 for each of the second and third years towards cost of a Secretary-Cum-Driver with the approval of the Registrar. Secretary and Driver may be appointed separately if necessary.

(D) Additional loan equivalent to the cost incurred by the society on account of cutting canals, laying pipes and pipe lines, construction of drains, syphons, culverts and pipe lines, subject to the limit of Rs. 10,000. This loan will also bear interest at 3½ per cent per annum and will be repayable in 15 annual instalments, the first instalment accruing one year after the completion of the works. As security for the repayment of the loan, the machinery purchased with the Government loan as well as the lands of the members to the extent of twice the value of the amount of the loan shall be taken in mortgage. Amongst the important conditions for grant of financial assistance could be mentioned the condition regarding growing of food-crops in at least 50 per cent of the total cultivated area.

The societies have been given the priority services of organisational staff of the Co-operative Department and technical staff of the Agricultural Engineering Department, in the matter of formation of societies and investigation of scheme, preparation of plans and estimates and costs of projects, etc. Assistance is also made available in the matter of securing various types of engines of reputed makes, cement, iron, steel, etc. Arrangements for training of personnel to work as Engine Drivers by giving the societies subsidies, have also been made.

On 30-6-1951, 167 Co-operative Lift Irrigation Societies covering an area of 44,122 acres were formed of which 100 societies had taken up lift irrigation schemes. They received loans and subsidies amounting to Rs. 44.5 lakhs. So far, 50 schemes have actually been completed and have brought under irrigable command an area of 8,555 acres. This scheme is proposed to be incorporated with the National Plan chalked out by the National Planning Commission, with a view to have a comprehensive scheme for the next five years.

It is intended that the cultivators interested in forming lift irrigation schemes should come together and decide to re-group their lands for purposes of the scheme and approach the Co-operative Department with detailed proposals. The proposed site will then be examined by the technical staff of the Public Works Department with a view to ascertain whether the scheme is feasible from the technical and financial point of view. Detailed plans and estimates would be worked out and necessary financial assistance will be sanctioned to the societies. The execution of the works would be done by the societies themselves. Disbursement of loans and subsidies would be done in three stages as under:—

(*a*) 60 per cent on the sanction of the estimates.

(*b*) 20 per cent on the completion of the 60 per cent of the works.

(*c*) 20 per cent on the full completion of the works.

The societies will be eligible for subsidies towards cost of their Secretary-cum-Drivers from the date of actual commencement of the irrigation of the lands.

It is proposed to implement the scheme for the whole State but the centres will be selected only in areas which suffer from drought and inadequate water facilities for agriculture and other proper centres of water supply which can be harnessed for lift irrigation.

During the course of the next five years it is proposed to have in all about 300 irrigation societies which may bring an area of 60,000 acres of land under irrigable command. The total cost on account of loans and subsidies and also for entertainment of the additional staff is estimated to be in the neighbourhood of Rs. 180 lakhs.

It is proposed to give the following assistance to the co-operative societies undertaking lift irrigation schemes.

(A) Loan to the extent of 50 per cent of the cost of purchase and installation of lift irrigation machinery and pumps, construction of jack-wells, rising main and discharge tanks. The loan shall bear interest at 3½ per cent per annum and will be repayable in 15 annual instalments, the first instalment of repayment falling due after 3 years of the disbursement of the first instalment of the total sanctioned amounts of loan and subsidy.

(B) Subsidy equivalent to 50 per cent of the cost of purchase and installation of the lift irrigation machinery and pumps, construction of jack-wells, in-take pipes, engine-sheds sump-wells, rising main and discharge tank, subject to the maximum of Rs. 150 per acre of the land to be brought under irrigation.

(C) Additional loan equivalent to the cost of cutting canals, laying pipes and pipe-lines, construction of drains, syphons, culverts, etc., subject to the limit of Rs. 15,000. The loan shall bear interest at 3½ per cent per annum and shall be repayable in 15 annual instalments, the first instalment of repayment falling due after 3 years of the disbursement of the first instalment of loan and subsidy.

(D) Subsidy at the rate of Rs. 900 for the first year and Rs. 450 for each of the second and third years towards the cost of a trained Secretary-cum-Driver, whose appointment shall be made with the approval of the Registrar or any other officer authorised by him in this behalf.

The success of the lift irrigation schemes undertaken by the societies would ultimately depend upon the way in which the day to day work in the matter of running the machinery is carried out by the technical employees of the societies. It is, therefore, imperative to make arrangements for the training of the technical employees of the societies who would later be in charge of the engines etc. Accordingly, it is proposed to give training to these employees in the oil-engine training classes which are conducted by the Agricultural Engineer to Government. The cost on account of the training will, however, be borne by the societies out of their own funds.

If the scheme proves successful, it is estimated that about 12,000 tons of food-grains would be raised annually, by the end of the five years of the operation of the scheme, which would mean 50 per cent increase in the present yield of crops on the lands which would be brought under irrigable command.

THE CO-OPERATIVE DEVELOPMENT PLAN IN U. P.*

The New Co-operative Development Plan for the re-organisation and expansion of co-operative movement in rural areas was formulated by the Government in 1947. It envisages the selection of development blocks consisting of 12 to 20 villages generally round about agricultural seed stores and the organisation of a multipurpose society in each village and a union for each group. The emphasis is on production, specially agricultural production. The seed store is the nucleus round which the activities of each union for the improvement of agricultural production will grow. The seed store will supply improved seed, fertilizers and implements and will be a centre from which guidance will be available to members in better methods of cultivation. The multipurpose societies and unions will devote attention to animal husbandry and also promote cottage industries. They will further arrange for the marketing of surplus produce of villages. And lastly they will arrange for the supply of consumers' goods to members. The business activities of each block will generally be carried on at union level.

The organisation of multipurpose societies and unions in development blocks according to this plan was begun in 1947-48. But the main work was, however, done in 1948-49. About 1,300 blocks covering 21,000 villages were organised during 1948-49. Credit societies were functioning in about 5,000 such villages and they were converted into multipurpose societies. New societies of multipurpose type were organised in the remaining villages. The number of multipurpose societies thus totals to over 22,000 at present.

To begin with the Government transferred to the block unions through the Provincial Marketing Federation 567 seed stores formerly run by the Agricultural Department and 383 new stores were organised in subsequent years. The total number of seed stores is at present 940. The total quantity of *rabi* and *Kharif* seed distributed on Sawai during 1950-51 was 9.78 lakh mds. and 2.20 lakh mds. respectively as against 9.27 lakh mds. of *rabi* and 2.10 lakh mds. of *Kharif* distributed last year. Out of the Sawai demand 95.8 per cent of *rabi* and 80 per cent of *Kharif* seed was recovered in kind in 1951-52 as against 93.6 per cent of *rabi* and 90 per cent of *Kharif* seed recovered last year. Thus despite

* Note prepared by the Publicity Officer, Co-operative Department, U.P.

unfavourable weather conditions and other calamities the unions have progressed well in raising their seed stock by mutual help of individuals and showed better performance from year to year. In the matter of distribution of fertilizers and implements the unions help production appreciably by popularising them among the cultivators and increasing demand for them. An important and healthy development in this connection is the purchase of improved agricultural implements worth over Rs. 2 lakhs last year by the Provincial Marketing Federation on behalf of the development unions.

The total number of development unions is at present 1,450. Out of the total number, there are 940 development unions with the seed stores. Their working captial was Rs.1.8 crores out of which Rs. 54½ lakhs was their owned capital consisting of Rs. 42 lakhs as share capital during 1949–50. The unions are responsible for running the seed stores and the stocking, distribution and realisation of seed etc. which formerly used to be done by the Agricultural Department. The unions and societies are also playing an important role in the distribution of essential commodities like cloth, salt, kerosene oil, cement, steel etc. The value of consumer goods distributed by them monthly estimated to average Rs. 50 lakhs. Some unions acted as Government agents in connection with the procurement of foodgrains. They have rendered useful services in several other ways e.g. by the construction of new wells, supply of improved cattle, planting of trees, digging of compost pits etc. At several places they have also undertaken steps for introducing *Wardha-Ghanis* for manufacturing oil and the popularisation of Khadi manufacture.

A District Development Federation has been organised at the headquarters of each district in order to coordinate the activities of the block unions. The District Development Federation is a member of the Provincial Marketing Federation. The Federation is not to have any direct dealings with primary societies of such areas where the unions have been organised and registered. The working capital of these district federations on Dec. 31, 1950 was Rs. 60 lakhs out of which Rs. 15½ lakhs was their share capital. These federations have been organised in the past two years and their working capital and share capital are bound to increase as they expand their business. Their main business at present is the distribution of cloth, sugar, cement, steel etc. among their members particularly block unions and other

isolated societies and the value of trade done by them was Rs. 30 lakhs per month on the average last year.

The need for a provincial organisation to coordinate and guide the activities of the district federations was also felt. But owing to the existence of the U.P. Co-operative Development and Marketing Federation it was not considered necessary to organise a separate institution for the purpose. The Provincal Marketing Federation is the apex organisation of the co-operatives in the State so far as distribution and marketing are concerned. It is expected gradually to serve as a perfect link between the producers' and consumers' societies. The working capital of the Federation is Rs. 2. 9 crores out of which Rs. 23. 61 lakhs is its owned capital.

The Federation acts as importer of cloth in 32 districts and runs 100 fair price cloth shops in the different cities. It is responsible for the efficient management of 1,000 seed stores for distribution of seed, fertilizers and agricultural implements and is the sole importer for Western U.P. and part importer for the rest of U. P. for "Sultan Kolhu" and other products of Nahan Foundry. It supplies 'Ajanta' Hindi and English typewriters, runs a ghee grading station at Shikohabad, supplies pure ghee and mustard oil and is the sole distributor for Planters Tea (Nilgiris) throughout the State. Above all, it helps the development of co-operative farming, the running of the lac factory at Wyndhamganj in the Mirzapur district and finances the District Development Federations in their marketing and distribution activities. The value of business done by it during 1950–51 is Rs. 6 crores. In order to facilitate and expand its business it has opened its branch offices in Bombay and Kanpur.

The Federation has so far concentrated its attention mainly on distribution. It has now prepared a comprehensive plan for undertaking production and marketing. It is proposed to undertake marketing of oil-seeds, gur, potatoes and dry fruits, etc., at places where there is sufficient scope and opportunity for successful working. If possible, sale of cottage industries products such as handloom cloth, durries, carpets, brass-wares, etc., will also be arranged. This work will be transferred to the district federations as soon as they are capable to handle these activities. It is also proposed to undertake intra-State exchange of goods, produced by the co-operatives or their members. Export of goods required in foreign countries and import of commodities needed in this State is also envisaged in the plan. The Federation might begin with the export of oilseeds, hemp, carpets, Banaras and Moradabad wares and locks. It may import cycles, sewing machines, typewriters, tractors, trucks and other small tools and machinery. There is a great demand for agricultural implements in co-operative organisations and it will be worthwhile to undertake their manufacture as early as possible. The installation of cold storage plants, oil mills, sugar factories, yarn and cloth mills and the like concerns at a later stage are also intended in its schemes of expansion when it has been able to build up sufficient funds, and gained enough business experience for handling large scale industries.

Under the Five-Year Plan of the State it is proposed to organise about 500 new development unions on similar lines spreading over another 5,000 villages each with a new seed store. The entire finance for this expansion would be provided from within the consolidated block grant of Rs. 25 lakhs per annum at present paid to the Provincial Co-operative Union and the Provincial Marketing Federation for rural co-operatives.

Milk Unions.—There are six Central Co-operative Milk Supply Unions in the State one each at Lucknow, Allahabad, Banaras, Kanpur, Meerut and Haldwani (Naini Tal District.) They derive their supply of milk from 384 milk societies organised in the rural areas. Common milking arrangements are encouraged. As soon as milk is taken and pooled it is brought to the centre by the carriers. Each group of societies situated in a particular direction has its own collecting centre. From the collecting centre milk finds its way to the dairy in the town by motor transport. After processing it is handed over to the carries for distribution in the city.

The milk unions render a distinct service both to the producers and the consumers. They help the producers in marketing their surplus product to the towns at better prices, assure them correct weighment and fair-dealings and lastly increase the production of milk by making available for them interest free takavi loans for the purchase of improved milch cattle and by distributing oil-cakes and concentrates. The consumers are assured a regular supply of hygienic milk at rates lower than those charged by *gwalas* and *Halwais*. The milk unions by virtue of their handling a larger quantity of milk in the towns also exercise a healthy control on milk prices in the market which indirectly benefits the public in general.

The distribution of interest-free takavi loans to the members of societies for the purchase of improved milch cattle forms an integral part of the milk scheme. It provides a great incentive to the producers to join societies and develop milk production. These loans are realised from the members in three years from the price of milk. So far Rs. 13 lakhs have been advanced to the producers since the beginning of the scheme. The total strength of milch cattle in the societies supplying milk to the unions is 10,035 out of which the number of improved cattle purchased with the help of takavi loans is calculated to be near about 4,300.

The unions handled 1.29 lakh maunds of milk during 1950-51, the average quantity of milk handled per day being 353 mds. The business of the unions is now growing and they are showing better results. It is also worthy of note that but for them a substantial portion of milk would not have been produced and brought to the towns as it is not possible for the private milk vendors with limited means to transport it from distant supply centres and process it which the unions do.

The unions until recently could not handle a larger quantity of milk as they were not equipped with pasteurising plants and cold storage and other scientific apparatus. Since four of these unions have now been equipped with the pasteusising plant and others will also follow suit, their business will greatly expand and their activities will benefit a larger section of the city population. Already there is increase in the business of the unions equipped with the pasteurising plants.

A great difficulty that the unions daily experience in their working is competition with private milk vendors who augment their profits by adulterating milk. The supply of milk to the children in urban areas is important enough for the Government to make it a matter of State policy. Effective control over production and distribution of milk is necessary and can be achieved only through special legislation enabling co-operatives to establish monopoly purchase in specified areas and to lay down standards of quality and the conditions under which milk may be produced. A Bill in this regard is at present under the consideration of Government.

Under the Five Year Plan of the State it is proposed to organise three new Milk Unions in addition to the six already existing during the course of the next five years. This item is also proposed to be taken up without any additional financial liability, i.e., on the basis of a recurring provision of Rs. 3.37 lakhs in the current year's budget. This would be possible as while the expenditure on the existing unions will go down, the savings would be utilized for the equipment, machinery and staff for the new unions which will also be required to contribute nearly half of the cost from the very beginning.

Co-operative Farming.—The Co-operative Department has of late initiated experiments in co-operative farming in two villages of Darauna and Nainwara in the Jhansi District where land was reclaimed by deep tractor ploughing under the Government *Kans* eradication scheme. The 48 members of Darauna and 87 of Nainwara have pooled their land into co-operative farms representing an area of 418 acres and 489 acres respectively. The entire management, cultivation, harvesting and disposal of produce is done jointly by the members through their elected *panchayats*.

It is interesting to note that as a result of joint farming, the cost of cultivation has come down, the average yield per acre has increased and the average income of every member from wages, land dividend and bonus on the wage bill has increased. The successful working of these societies has led to the organisation of seven more societies in the region. The co-operative farming experiment has also been extended to other districts of the State where 23 societies have been organised. The total membership of these 32 societies is 1,388. Their working capital and share capital are Rs. 8.26 lakhs and 2.51 lakhs respectively.

Under the Five Year Plan of the State, it is not proposed to go at a fast pace with such societies and the target for five years has been kept at a very conservative figure of 100 societies at the end of five years for the obvious reason that in the first few years this new type of organisation would need intensive supervision and guidance before it can catch the imagination of the farmers all over the State.

EXTRACT

WHITHER CO-OPERATION?

By

SIR MANILAL B. NANAVATI

With only a couple of years short of the time when we shall celebrate the close of the first half century of the co-operative movement in India, it is very necessary to guage the value of its contribution to the economic development of the country and to judge the place it should be assigned in the future economy of the country. Not only is the movement to have a definite place in the economy assigned to it, but a planned and consciously directed effort is going to be made to secure this place for it, unlike in the previous half century, when, even though it had both official backing and guidance it was allowed to grow unplanned and haphazard, with unequal emphasis on one aspect or the other, at varying pace and on differing lines, in different parts of the country. There are parts of the country where it flourished, and there are those where it failed utterly, while there are others still where it was not tried at all.

Considering the volume of production, distribution, and consumption in the wealth of the country—agricultural and industrial—the share of the movement directly even today, when it has shown considerable growth during the last decade, is almost negligible. Even the very optimistic estimate of the Co-operative Planning Committee did not claim that the movement has succeeded in reaching more than 10 per cent of the population. The point of effective contact or mere touch, even within this limited field, considering the total life contents of the individual or the family, is very microscopic. But the inherent strength of the principles on which the movement is based and the promise of a far wider and more intimate application that it holds out are so great that, in every essay in the field of planning during the last few years, the authors were almost compelled to assign the co-operative movement a very important place in the policy and programme, for the constructive effort that is to be made in the future to build up the economic structure of the country.

Vast field for expansion:—Partly because of its greater association with the rural parts of the country, and partly because of our somewhat sudden discovery of importance and significance of the rural area and the rural population, especially by the Congress under Mahatma Gandhi in the early days and by the Congress Governments in more recent years, the emphasis for the utility and the direction for the course of expansion of the movement are not so much national as rural. Even now, when we think of the co-operative movement we associate it, subconsciously if not consciously, with the organisation of agriculture, cottage industries, and small-scale industries in particular, and with life in the rural areas in general. This is neither a complaint, nor a criticism. There is a vast field for its expansion, an equally urgent necessity for it in this particular field, because of its great backwardness and the neglect that it has been subjected to, by an essentially urban-minded Government and the public life that grew up around it in the past. One should not quarrel in the east with any scheme, which placed co-operation as a form and system of social organisation, even exclusively for the countryside. But this is not the same thing as saying that, the movement, in its wider and comprehensive aspect, is not suited to, or useful for, being a basic form, for the complete organisation of the whole of the national economy. So far as the primary necessities of life are concerned, food, clothing, health, housing, education and entertainment, for years to come, we shall have all our work cut out; these lend themselves equally well to a co-operative form of organisation in the towns and cities, as in the villages.

The Congress Economic Programme Committee in its last report, it was gratifying to note, had rescued co-operation from its purely restricted rural and sectional associations, and raised it to the status of an important phase in the whole national economy. Perhaps, this was so, at least in part, because of the general rural bias and colouring of their picture of the national economy, with an underlying disapproval of and, opposition to, all forms of large-scale concentration of industry, commerce, population and other forms of organisation, largely to be found in the predominantly urban areas. For the rest, the Committee, while not actually enamoured of the principle of co-operation, as such, had given it a place and significance to soften the harsh lines of the picture, which represented nationalisation with all its implications of expropriation and elimination of certain forms of economic organisation, and the imposition of certain others favoured by them, with the aid and the power of the State.

The Planning Commission's Attitude :—But the report of Five-Year Plan of the Planning Commission is rather disappointing in this respect. The Commission's whole attitude to co-operation is casual and perfunctory and of a purely utilitarian character. Due note is taken of the co-operative movement, wherever it can be utilised as an agency for some of the activities recommended by it, but, beyond this, though some of the members of the Commission and of the Government talk of establishing a Co-operative Commonwealth, there is no adoption of the co-operative movement and the co-operative form of organisation as the central and important principle in their plan. This is lamentably so even in that section of their plan which deals with rural development and village management. Even in this sphere, which lends itself naturally to being organised exclusively on co-operative lines, the co-operative movement is envisaged as one of the alternatives, which might aid in such organisation, but not as the foundation and characteristic dominating principle on which the whole of the rural economy is to be based.

The Planning Commission is in no way antagonistic to the co-operative movement. One finds frequent references to the movement and its more specific agencies, scattered all over the Five-Year Plan. The Commission is even keen on utilising and promoting the movement, wherever it feels that it can usefully do so. But the Plan, or even a part of it, is not based on and built round the co-operatives. The difference is not merely

that of emphasis but of the whole philosophy underlying the structure. What the Plan favours is rigid and, at times, stringent State control and direction, both in the industrial and the agricultural spheres. The co-operative form of organisation is more or less autonomous and voluntary and so necessarily of a slow organic growth, with emphasis more on men than on the organisational machinery.

Driven by urgency in securing results, the Commission does not naturally view the co-operatives as ultimate and autonomous forms of an economic democracy, but as instruments in building up an economic structure according to their design and of value only to the extent that they could be useful for this purpose. The Planning Commission is not aiming at the creation of a Co-operative Commonwealth, but a State-controlled and directed economy, in which regional and functional bodies, such as the co-operatives, are allowed to participate to a varying degree, according as they can fit in with the Plan. We feel that Co-operation is something more than a mere instrument of economic organisation.

Co-operatives and Industries :—It is certain that even under the Five-Year Plan, the co-operatives are destined to undergo a vast expansion, and play an important part in the planned economy of the country. It has already been recognised, as a matter of policy, by the Union Government, by way of a resolution approved by the Constituent Assembly, that they would find means, via the co-operatives, to co-ordinate the two important divisions of our industry represented by the cottage and small scale industries, on the one hand, and the large scale, highly organised industries, on the other. It is also recognised that the All-India Cottage Industries Board will, as a first step towards the implementation of this new policy, strive its utmost in organising these industries on all sides on the basis of co-operation. It will undertake the supply of raw materials, implements and machinery, power and, possibly also training, through the promotion of co-operative societies. It will also have to do so for the maintenance of the quality of the produce, the necessary grading, and the all-important marketing also on co-operative lines. Finance necessarily will have to be organised on the same basis. If all this could be evolved successfully, as the Board is trying to do, the establishment and the consolidation of a large number of industries, small in themselves taken singly, but aggregating to huge proportions in the bulk, is an assured fact.

Provision of finance on very onerous terms, supply of raw materials at heavy cost, and marketing by third parties who appropriated a greater share of the margin, when there was any left, combined to keep these industries in a moribund condition in the past, and not so much the competition from the large-scale, mechanised units. Had it not been so, with Ahmedabad round the corner producing the largest part of the country's textiles in its numerous mills, the handloom weaving industry in Saurashtra, with its beautiful and highly durable products welcome in all modest homes, would have been completely extinct years ago. But it was a live and active industry till almost a decade ago, with half the people in that area clad in the picturesque products of its innumerable handlooms. Not the mills but the middlemen and the financiers maimed it, even if they did not altogether succeed in killing it completely. What rendered these handlooms idle for a greater part of the year were not the cheap and more attractive, but less durable, varieties of cloth put forth by the mills, but the absence of uninterrupted supply of enough yarn at an economic rate.

Rural Economy :—This is but one instance of a cottage industry, where, if the co-operative movement had stepped in time, and organised it in its entirety, as it did in some parts of Madras, it would have helped materially in raising the standard of living in the rural areas of Saurashtra and Gujarat, benefiting others besides those actually engaged in this industry. It would hold true in the case of a large number of small-scale industries already struggling hard to survive, and of a still larger number of others still untried. With large supplies of a variety of raw materials produced in their home regions, with a large number of only partially employed persons in almost all villages and small towns, with every industrial product in short supply, and with a vast multitude of consumers of moderate means who would be satisfied with a modest and minimum quality of their many requirements, there is no reason why the country-side should not be a humming hive of small-scale, and cottage industries, almost verging on self-sufficiency for its primary and secondary needs, and dependent only for a few of its needs, on products of large-scale industries or imports, instead of a depressing vista of idle villages with half-starved, semi-nude, and only seasonally employed, poverty-stricken, uneducated and unenlightened, mutually warring and acrimonious groups of people, living empty, embittered and frustrated lives, envying the lot of an equally miserable and unhappy men and women in the towns and cities.

The men and the materials are there. What is needed is organisation, which the State machinery, however effective and efficient, cannot provide, but which the co-operative movement can build up, not overnight, not by Government resolutions, orders and directives, but by providing training in leadership and organisation and by evolving and encouraging, painfully and slowly, with frequent lapses, the useful qualities of thrift, self-help and integrity. These are matters of careful and tended growth, of education and enlightenment and not of Government decrees and official orders or of Acts and Rules and Bylaws. It is not the form of the movement, important as it is inasmuch as it brings people together for a common purpose on a democratic basis, as the qualities the co-operative movement strives, and has to strive, to inculcate in all those who come under its protective cover, that are important and deserving of emphasis.

What about the Future?—What I have observed about the place of co-operation in the field of cottage industries applies with equal or even greater force to the field of agriculture. Under the present trends and conditions of our agrarian legislation and under the agrarian policy of the Congress, which naturally and necessarily will dominate the scene at least for a few more years, large-scale farming on an industrial basis, with

moderate mechanisation, is possible only on the lines of co-operative farming of whole villages, or, later even a group of villages. The possibility of creating large farms on a capitalistic basis, such as joint-stock companies for estates and plantations, or on an individual ownership basis, has to be ruled out, taking into consideration the present trends along which the official mind is working.

But large scale farming is imperative, if we are to eliminate all the waste and to increase our output of food and raw materials for the industries, to cope with the rise in population. It will, therefore, have to be co-operative farming, difficult as this would prove to be, when it is attempted not in a village here or a village there as an experiment, with official help by way of trained personnel and other facilities, but on a large scale over large tracts of the country, on the basis of a voluntary and spontaneous organisation. So also will be the case with marketing and credit organisations. But these are details in the picture, while what we are concerned with here is the broad out-lines of it, if for nothing else, at least because of the limitations imposed by space.

With my intimate association with co-operative movement for nearly two score years, my reading of the present stage of its development would lead me to lay emphasis on three aspects of its growth and orientation. There is no doubt that, with the interest it has evoked in the Government and the majority party in the Union and State Legislatures and the solution that it offers to ever so many important problems of the day, it is going to be a State-sponsored and officially patronised movement, even more so in the future than what it has been, in a sense, in the past. While this may be an immense advantage, it might prove to be its greatest danger. Apart from, but closely related to, this aspect will be the need for, and provision of the right type of leadership and a trained personnel for its executive side. And, lastly, there is the need for wholly recasting it so as to cover all the aspects of life, not severally but comprehensively in its collective grasp of all those who are covered by it. These are the things that will determine its final form and its ultimate success.

Government Patronage :—Unlike many of the countries in the West, the movement in India, as in several other countries in the East, was planted, watered, manured, fended, and tended by the Government of the day. It has been breast-fed, and bottle-fed, but it has been fed all the same. It became a department of the Government. It took an official form out of which it was not able to grow for a number of reasons. Elsewhere, it originated and grew as other popular movements-cultural educational, economic, religious or spiritual, and political-voluntarily from the enthusiastic convictions of its pioneers, who sought converts, enlarged its scope, and gave its organisation a scope and a body of thought covering its theory and practice. The impetus, the necessary reforms and revisions, checks and counter-checks, and the leadership grew from within, as it spread and developed, which gave it an organic and healthy character. It had to adopt itself to the needs of the people. It did not, as it did at many places in India, ask the people to change their structure of life to suit its forms. In the U. K., it became a consumers' movement primarily for distribution and, later, for the production of many of the needs of its adherents. In Denmark, it shaped itself more as a machinery for marketing dairy products. This natural growth gave it a soul, a character, an independent leadership, and a loyal and enthusiastic membership. I shall not strain the point further beyond saying that it is very much different in India in all these respects. We have co-operative societies, but hardly what might be called a genuine, healthy, organic co-operative movement. One can easily imagine all that this means.

Our State Governments, composed of prominent Congress leaders few of whom, except an individual here or there such as the present Finance Minister of Bombay, took any part or practical interest in this movement during all these decades, have recently discovered the potentialities of this movement, as a panacea for many of their difficulties. In their early enthusiasm, they are issuing directives to their officials to start co-operative societies for one purpose or another. The officials are naturally interested in numbers, in quantity more than quality. There is the ever-present danger of the movement being further officialised, with all its attendant weaknesses. Will this not further accentuate its present defects of lack of an active, live, and disinterested leadership in the absence of trained and efficient organisers and secretaries and a loyal and devoted membership, to whom their society or union is a cause to live for, and not a moneylender to raise a loan from, a shop to buy their dhoties or their wives' sarees, or a commission agent to sell their gur through? It is this attitude that makes all the difference.

An official report will give the increase in the number of societies, membership, capital, reserves, turnover and perhaps cases of misappropriation and defalcation. How diffierent it would be, if the Governments could so shape their interest and patronage, so as to create a hunger for a society amongst the people and make them organise themselves and ask for their recognition? This is a defect that I have sought to remedy all my life in my dealings with the movement. It is the danger, therefore, which I visualise all the more readily, in the partial new set-up that is foreshadowed in the near future.

Leadership and Staff :—Coming to leadership and staff, it is a subject on which one could write a whole volume. It is the quality of the leadership that makes or mars a movement, or turns it from a dead machine to a live organisation. One of the reasons why the movement is of such radically unequal growth, depth, strength and usefulness from place to place, district to district, or State to State, is the difference to be observed in the quality of the leadership guiding and controlling the movement. It is responsible for giving it a particular bent or bias. This problem of leadership ranges right through, from the small village society to the movement

in the country as a whole. The rich, leisured class that sponsers and serves many voluntary associations, societies, circles, and groups has more often kept away from this, with a few exceptions here and there, than interested itself in it. The official character of the movement and the best talents being preoccupied with the political movements, when gaining independence from well-established foreign rule was a more important issue, could explain this dearth of real leadership in the movement.

There is, therefore, bound to be a welcome change in this direction in the future. The movement needs fresh blood and acute brains, as much as it does facilities for training these leaders in their work. We want more informal and inspiring summer schools, conventions, conferences, study circles, debates and demonstrations, as much for creating interest and enthusiasm, as for keeping them alive and for exchanging notes and comparing ideas. It is here that official help can come very useful, by providing funds and facilities on a liberal scale, keeping itself otherwise all the time in the background. If the Government goes to create a class of leadership as it has done in the past, many a party with a private axe to grind, those seeking the limelight or even some seeking to make a living out of it, by fair means if possible and by foul means if necessary, will volunteer themselves, and it would be difficult to sort out the right persons from the wrong ones. It is after all the membership that should throw up the leaders from its ranks. If the members themselves have felt the urge from within to join the movement, attracted by its appeal to some part of their being, they will, in course of time, provide this leadership. If they have merely been roped in by official pressure, or have joined with the immediate idea of securing a loan or supply of rationed articles, as most of them have till almost lately in the past, they will fail to provide the necessary leaders, or will follow those who are imposed upon them. We come back, therefore, in the end, once again, to the need for giving the co-operative movement an organic, voluntary and spontaneous character.

Comprehensiveness :—We thus come to the last and third phase of the co-operative movement of the future. It is its comprehensiveness. One cannot expect loyalty and active, emotional devotion from members of a society, who can only get a temporary loan from it, or who can buy sugar or cloth, cement or steel, which is not otherwise available, or who can sell their cotton at a slight premium over the rates that they would get as unattached individuals from a merchant. These are all important considerations. A member should get all these from the organisation to which he belongs. But he should feel, apart from these isolated and individual benefits that he can obtain, that he gets a kind of over-all security, sympathy, understanding of his difficulties, and a sort of respectability and prestige from his co-operative society. He should feel that, in any difficulty, in any crisis, his society and his union are there, square behind him, to support and succour him, to advise and guide him, in all his activities. He should feel a religious fervour and a spiritual relationship, which would evoke in him a sense of loyalty and devotion to his society, to the unions and other organisations to which it is affiliated and to the movement as a whole. It should, at the same time, evoke in him a *sense of* comradeship, of brotherhood, a kind of blood relationship towards all the members of his organisation and of those *belonging* to the movement in any part of the country and the world.

This is possible, only if the primary society as well as the unions or federations can cover each one of their members, over a greater part of his life, with active assistance, advice, and guidance. Not merely multi-purpose but all-purpose primary societies and their unions could undertake service of such a type and on so comprehensive a scale. Their resources and their scope of work will have to be considerably wider than they are at present. But, more than all else, the societies, banks, and unions will have to maintain a very highly trained, efficient and adequate staff, with adequate prospects to undertake so responsible, important, and specialised a work of real *nation*-building nature. It is here, again, that the Government can help by making liberal grants, during the initial years, for the training and the maintenance of such a staff. Honorary and missionary work is very useful, and it has its place and a great scope in the co-operative movement. But it needs all the same, a steel frame and a hard core of a permanent paid staff, trained specially for the exacting and specialised work, which the consolidation and the orientation of the movement along the right lines would demand.

Extravagance has been a common characteristic of almost all our efforts at post-war planning. With regard to co-operation also, our Governments are planning *on* a grandiose scale. Even if we have the resources in money, which we clearly do not have, we are sadly deficient in leadership and staff. By all means, let us plan the future growth of the movement, not because planning is the fashion to day, but because it really needs planning, if we are to avoid waste of our slender resources and prevent unequal and unbalanced growth. But let us, all the same, take heed and not force a hot house, mushroom growth of the movement, by the sheer force of official authority, expecting it to work wonders. For, so far as *co-operation* is concerned, that way lies destruction of even what little we have achieved in creating the genuine spirit and soul of the co-operative creative effort during the last fifty years. Let it not be *forgotten that* during the last ten years, we have done nothing but unrestrained breeding of societies, which will vanish at the first breath of an economic crisis, unless they are consolidated, not by funds, but by breathing the co-operative spirit into their bodies. A dozen years ago, in 19[illegible]ement was almost at its last gasp and on the point of c[illegible]apse[illegible]fa[illegible]to consolidate and build slowly, we shall, in all [illegible]ability, be fac[illegible] worse situation in 1959.

—*Commerce* Annual Review Number, 1951.

The Madras State Co-operative Bank, Ltd.

Head Office:—379, Netaji Subhas Chandra Bose Road, Madras 1.

Balance Sheet as on 30th June, 1951.

Liabilities.	Rs.	Assets.	Rs.
Capital ...	14,86,600	Cash ...	18,49,402
Reserves ...	51,50,610	Investment in Govt. Securities ...	207,30,072
Deposits & Borrowings.	789,65,149	Other investments ...	21,83,107
Sundries ...	38,66,016	Loans and Overdrafts	612,84,325
Profit & Loss A/c. ...	4,18,709	Sundries ...	38,40,178
Total ...	898,87,084	Total ...	898,87,084

Analysis of Working.

	Years ending 30th June			
	1948 Rs.	1949 Rs.	1950 Rs.	1951 Rs.
Paid up Capital ...	8,98,900	14,64,200	15,00,000	14,86,600
Reserves ...	44,99,120	49,92,234	50,04,278	51,50,610
Fixed, Current and other deposits ...	5,60,53,821	3,90,50,026	4,29,35,969	4,36,25,668
Net Profit ...	4,61,321	3,60,167	2,88,978	3,74,733
Amount transferred to Reserve Fund ...	1,50,000	1,25,000	1,00,000	1,00,000
Other Accounts ...	2,14,526	1,14,000	46,500	1,53,000
Dividend ...	67,677	99,529	1,34,820	1,04,178
Amount Carried Forward ...	55,146	57,373	43,977	36,555

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