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R. G. SARAIYA, Chairman.

B. J. PATEL,

N. SATYANARAYANA,

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THIS ISSUE CONTAINS :

ARTICLES ON :

FARMING CO-OPERATIVES IN PRE-COMMUNIST CZECHOSLOVAKIA

COLLECTIVE FARMS IN RUSSIA

HANDLOOM WEAVERS IN THE MADRAS STATE

HANDLOOM RELIEF SCHEMES OF BOMBAY STATE

DEVELOPMENT OF HANDLOOM INDUSTRY ON CO-OPERATIVE BASIS IN ORISSA

WEAVERS' CO-OP. MOVEMENT IN WEST BENGAL AND ITS FUTURE PROGRAMME

ROLE OF CO-OPERATIVES TO RELIEVE THE DISTRESS OF THE HANDLOOM WEAVERS
IN HYDERABAD

NOTE ON ROLE OF WEAVERS' CO-OPERATIVES IN RELIEF SCHEMES IN TRAVN-COCHIN

NOTE ON WEAVERS' CO-OPERATIVES IN THE PUNJAB

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THE INDIAN CO-OPERATIVE REVIEW

VOL. XIX

JULY—SEPTEMBER, 1953

No. 3

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THE INDIAN CO-OPERATIVE REVIEW

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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EDITORIAL NOTES

The formation of a separate State for Andhra is bound to accelerate the economic progress of the Andhras. The Andhra territory served by three perennial rivers viz., the Godavary, the Krishna and the Tungabhadra has vast scope for the development of Hydro-electric and Irrigation schemes. It is really a good fortune of the Andhras to have experienced administrators as their first Governor and as Chief Minister. Sri Trivedi and Sri Prakasam are bestowing their earnest attention and thought on the various development projects with a view to increase the economic, social and cultural prosperity of the Andhras. Our earnest hope, shall be therefore, that a stable Government will continue to function in Andhra State so that all the development projects can be pushed through expeditiously and at the end of the next five years the map of Andhra State can present a different picture altogether. We are sure that the Andhra State will ere long be one of the prosperous States of the Indian Union, thereby contributing in a very large measure to the credit-worthiness of India.

Co-operative Movement is bound to play a very important role in the socio-economic life of the Andhras, especially in this transition stage. We are sure the Government would press into service the co-operative movement for the execution of some of its development plans. Co-operative activity in its several phases has developed considerably during the war years in the composite State of Madras. Land mortgage banks, weavers' societies, stores societies, insurance societies, co-operative central banks etc., have considerably expanded their business and their activity is bound to have greater stimulus by the formation of a separate State for Andhra. Co-operators, official as well as non-official, will have greater opportunities and facilities to bestow the necessary

attention for the development of the co-operative movement on right lines with a sympathetic Government and a Governor who was himself a co-operator. Probably most of our readers are aware how Sri Prakasam, while he was Chief Minister of the Madras Government tried to give a new orientation to the co-operative movement by inaugurating a scheme of producers'-cum-consumers' societies. His ambition was to bring together the producers' and consumers' whose interests are divergent, into a common fold for their mutual benefit and for the general economic well-being of the masses. But the then political trends acted as a damper and Sri Prakasam laid down the reins of his office without achieving his object. What would have been the complexion of the co-operative movement to-day in the Andhra State if Sri Prakasam's scheme succeeded might be anybody's guess. We may venture to say that the Movement would be in a stronger position with a large capital at its back, which is an essential factor for the development of any economic activity.

The Co-operative Movement in the new State of Andhra is singularly fortunate to have Sri K. Subrahmanyam Naidu as its first Registrar. Sri Naidu is a person with true co-operative outlook and has a wealth of co-operative knowledge. He was the Joint Registrar of Co-operative Societies in the Composite State of Madras before he joined the Reserve Bank of India as the Chief Officer of the Agricultural Credit Department. He was also the Secretary of the Vijayaraghavachariar Committee on Co-operation (Madras). As Chief Officer of the Agricultural Credit Department having conducted a survey of rural credit in the country,—the results of which are being compiled now—he possesses an intimate knowledge of agricultural credit in all its various aspects. As Secretary of the Vijayaraghavachariar Committee on Co-operation, he gained an intimate knowledge of Co-operative Law and practice in this State as well as in the other States of the Indian Union and also acquainted himself with the various aspects of the Co-operative Movement abroad. As Joint Registrar of Co-operative Societies and also as Registrar of Co-operative Societies for a short period, he acquired intimate administrative experience of the Co-operative Movement in the undivided State of Madras. He was also deputed

by the Government to study Co-operation in America, United Kingdom and Europe. It is needless to say that with his ripe experience he has fully utilised the opportunities afforded to him for travel and study abroad. He can certainly bring to bear a beneficent and clear outlook on the various knotty problems confronting the Co-operative Movement to-day especially, in the wake of bifurcation of the apex institutions like the Land Mortgage Bank, State Co-operative Bank, and Handloom Weavers' State Co-operative Society. We have no doubt that with his experience coupled with his innate industry and intelligence he would be able to steer the Movement clear of the several pitfalls and place it on the road to prosperity on right lines.

We wish Sri Subrahmanyam Naidu Godspeed and a useful period of service.

* * *

We are publishing in this issue informative and interesting articles on handloom weavers' co-operatives and the handloom industry in this country. Our readers are aware that next to agriculture handloom weaving is one of the main occupations of a large number of our rural folk and plays an important role in the economic life of our masses. Careful fostering of such an occupation in a country like India where the population is spread over a large number of villages should be the primary concern of the Government both at the central and the State levels. In recent years handloom industry passed through several vicissitudes, periods of boom and slump alternately and a large number of weavers who were having a lucrative occupation were suddenly thrown into a state of acute distress and starvation. Unemployment was rampant and Government was faced with a serious problem and was at its wits' end to find a suitable solution and to answer the several critics and to implement the number of demands submitted to it by the weaver community. The emphasis of this question should be more to find lucrative and continuous occupation to the large number of weavers rather than the expansion of handloom Industry. In our anxiety to develop handloom industry

Problems of
Handloom Indus-
try.

on a large scale and to step up production, if undue attention is given to the organisation of power looms on a capitalistic basis, it is needless to say that we will be taking the bread out of the mouths of a large number of individuals who are hereditarily dependent for their livelihood on weaving occupation. However, it is not our view that improved methods should not be adopted for increasing quantity as well as quality in production. But we wish to point out the resultant unemployment of the large number of weavers consequent on the switching over to automatic take up looms and power looms. Such development schemes should also include necessary provision for finding suitable employment for the weaver community which may be affected thereby, through co-operative channels.

We extract below certain passages contained in the memorandum submitted by the Madras Provincial Handloom Weavers Congress, to the Cotton Textile Enquiry Committee early in 1953 which will be of interest to our readers :

“The Government were anxious to earn foreign exchange by permitting the exports of cloth and yarn. Taking advantage of this anxiety of the Government, the mills utilised for themselves most of the yarn produced by them, either for weaving exportable cloth or exporting yarn itself, leaving very little yarn for the handloom weavers. The result was the monthly supply position of yarn to handloom weavers went down from 90 thousand bales to about 35 thousand bales. Even this yarn was not supplied in required counts for hand-weaving, but in such counts which gave greater profits to the mills. And for the first time odd counts of yarn, *i.e.*, 26s, 36s, 52s, and 70s etc., were spun in the mills and thrust into the market. The mills encouraged by their prosperous position, brought pressure on Government for expansion of the textile mill industry. Prior to partition undivided India had 423 mills, out of which 15 alone went to Pakistan after partition. By August 1951 the mills in the Indian Union increased

from 408 to 445 and 26 more mills were in the course of erection. A characteristic feature of this post-war and post-partition expansion was, that the mills began to expand more of their weaving sections than of their spinning sections. In addition to the increase in the number of powerlooms working in mills a number of powerloom factories have also been set up, with the result that the increased output of yarn through increased spindleage was not sufficient to meet the requirements of all these new powerlooms, which came into existence. It may be interesting to note in this connection that while in the beginning of this century there was on an average of only one powerloom per 100 spindles, at present there is a powerloom for every 35 spindles. The yarn requirements of all the powerlooms including the new ones have been given priority over the requirements of the long established handloom. This explains the steep fall in the yarn made available to handlooms from 90 thousand bales in 1939 to about 35 thousand bales a month in the year 1950.

It may not be out of place to point out here how the Government encouraged the expansion of the textile mills and powerloom factories to the detriment of the handlooms. At a time when there was dearth for foreign exchange the textile mills were permitted to import costly machinery. All new installations were given tax exemptions. Crores of rupees were advanced by Union and State Governments as long-term loans at low rates of interest to these mills. Materials like iron, steel, and cement were supplied at controlled prices and on a priority basis. At a time when there was shortage of cotton, the Government not only permitted heavy imports of foreign cotton but also subsidised the prices of the imported cotton. Whenever the mills agitated they were permitted to export cloth and yarn neglecting the needs of the consumers within

the country. Whenever the mills demanded increased prices, the prices of yarn and cloth were revised to the advantage of the mills. The mill cloth which was mostly sold in urban areas before the controls, was pushed in the name of rationing into the most interior villages where handloom cloth was till then enjoying monopoly. The direction of the Government of India insisting that 40 per cent of the production in mills should consist of saris and dhoties proved to be the last straw to break the neck of the handloom weaver.

The Government and the mills who have been all along proclaiming that there is vast scope for both the mill and the handlooms to exist by increasing the per capita consumption of cloth by the teeming millions of this country from 13 to 30 yards, are now coming forward with explanations that the world production of textiles in the last one or two years has increased to such an extent that it is no longer possible to push up the exports of our textiles in competition with countries like Japan, U.K. and U.S.A. They are also explaining that the purchasing power of the people of this country has fallen and that, therefore, there is no likelihood of expecting any increased internal demand for textiles.

The Government of Madras, having realised that all the above said factors conspired to usher in the present slump in textile trade and the consequent unemployment of handloom weavers in large numbers, found it necessary that these handloom weavers, totalling about 20 millions all over the country, must be provided with continuous employment with a reasonable wage. For this purpose they felt that the only solution is to specify certain fields of textile production and to reserve them exclusively for the handlooms. Unfortunately the India Government could not appreciate

the rationale of the solution suggested by the Madras Government. The Government of India seem to be more agitated about the future of the textile mill industry and little concerned about the future of the handloom industry."

We are glad that the All-India Handloom Board and the Central Government are devoting their attention to this problem and during 1953 the plight of the handloom weavers and the future of the handloom industry received the personal attention of the Prime Minister.

The crux of the problem as stated by the All-India Handloom Board in its recent survey is to ensure steady supplies of about 80,000 bales of yarn per month to the handloom industry and ensure the offtake of about 1,700 million yards of handloom cloth per year. We however feel that the problem is by no means simple and demands careful scrutiny in all its aspects to attempt at finding a permanent solution.

* * *

The object of collective farming to our mind is to achieve better and effective results in production, to increase the foodgrain surplus in the country, and to increase the economic prosperity of the cultivator. The object is highly laudable and appreciable thought and attention is being devoted in recent years to this problem of collective farming on co-operative basis. It should however be noted that the ever diminishing size of the holdings has made agricultural occupation highly unremunerative and make it impossible to apply improved methods of agriculture. Consequently there is very little or no scope for increase in the yield. Unless the problem is tackled on an effective basis, agricultural industry will be exposed to grave dangers and a satisfactory solution to the food problem of the country will become very remote. Traditionally the Indian agriculturist is very much attached to his land and it would be very difficult to induce him to pool his land in a collective operational venture, or to make him work in any other farm than his own.

It may not be difficult for the Government to find uncultivated land and induce landless labourers to work on it on a collective basis. If sufficient inducement is given to them it may have some beneficial results. But under this arrangement only a small proportion of the land can be brought in. The real problem is to bring together small land owners to combine in a scheme of collective farming to mutual benefit. The only possible way is to organise such schemes on co-operative basis. If such a scheme is to succeed, Government help and assistance is necessary. Technical guidance of the agricultural department should be forthcoming on a large measure free of charge. All overhead expenses of a farming co-operative society should be cut down to the minimum and the members should have the maximum benefit. The members who join this venture should realise that the scheme is designed for their benefit and must be assured that they will have very little or no interference at all from any outside agency and that success or failure of the venture will solely depend on the interest and zeal which they evince in the scheme. In the initial stages Government should take necessary interest in helping the promotion of such schemes. Further diminution in the size of holdings will be a source of danger and should be checked by all means.

FARMING CO-OPERATIVES IN PRE-COMMUNIST CZECHOSLOVAKIA¹

By

FRANK MEISSNER

University of California

"To him [the Czechoslovakian farmer] co-operation was neither an economic system nor an ideology, but only a . . . special form of capitalistic enterprise."

Dr. L. Feierabend, p. 47

The Czechoslovakian Land Reform Act of 1919² provided an inducement for establishment of farming co-operatives. The expropriated land could thus be allocated either to: (a) qualified individuals or (b) co-operative corporations³ of small holders,

¹ An article by Prof. Otto Schiller published by *Land Economics* in February 1951 on "The Farming Co-operative: A New System of Farm Management" brought about a long series of published discussions. (See: Karl Brandt, "Otto Schiller's 'Farming Co-operative' A Critical Appraisal," *Land Economics*, May 1951, pp. 102-107; Dimitri Pronin, "The Farming Co-operative: A Reply," *Land Economics*, May 1951, pp. 178-180, and Dr. Schiller's "Rejoinder," pp. 180-182; and again Prof. Schiller's "Rejoinder to Professor Brandt's Critical Appraisal of O. Schiller's 'Farming Co-operative'," *Land Economics*, August 1951, pp. 256-259; Dr. Schiller's ideas were extended by S. M. Akhtar, "Possibilities of Co-operative Farming," *Land Economics*, February, 1952, pp. 46-53.)

The present author wants to discuss some pertinent experiences with Co-operative Farming in Czechoslovakia's territory in the 1918-1948 period. This is intended as a correction to what appears a misleading statement in Dr. Schiller's original article to the effect that his War II experiments with farming co-operatives in the Wehrmacht occupied territories of Russia was ". . . a new system of farm management. . . ." (p. 2) Later the originality of the idea is again emphasized when Dr. Schiller considers his report to be ". . . the first large-scale experiment to put agricultural production co-operatives to work. . . ." (p. 3). For the sake of historical accuracy it seems desirable to point out that, in view of the Czechoslovakian experience, Dr. Schiller's claim of newness and firstness cannot be substantiated. This is to be understood as a correction of an oversight rather than criticism. Prof. Schiller's position as an able and thorough researcher has already been established beyond any doubt. The objective of the present paper is merely to describe the Czechoslovakian venture with farming co-operatives and compare the experiences with Dr. Schiller's findings. Furthermore, it will be pointed out that the Czechoslovakian data were in 1947 analyzed by a Czech rural sociologist in almost exactly the same framework as Dr. Akhtar has suggested in his section on Factors determining success. See Jan Tauber, "Zemědělská výrobní družstva" (Agricultural Production Co-operatives) Vesmir, Prague 1948, pp. 192). For a full understanding of the present argument it would be advisable to review the preceding discussions on the subject.

This article was originally prepared for and presented to a seminar in Rural Sociology lead by Prof. Paul S. Taylor in Spring 1953 at the University of California, Berkeley. The author is greatly indebted to Prof. Karl Brandt, Associate Director of the Food Research Institute, Stanford University, and Dr. Ladislav Feierabend, former Czechoslovakian Minister of Agriculture, presently Associate of the Mid-European Studies Centre of the National Committee for a Free Europe, for much constructive criticism.

² Readers interested in more detailed background information should consult Antonin Basch, "Land Reform in Czechoslovakia" in Ackerman and Harris, *Family Farm Policy*, University of Chicago Press, 1947. Raleigh Barlow, "Land Tenure in Czechoslovakia," *World Land Tenure Problem Conference*. (Proceedings) Parts 4. Handbook of References Madison, Wisconsin, 1951. (Volume not page numbered)

³ In order to be consistent with Dr. Schiller's Nomenclature the term "Farming Co-operative" will be henceforth used. The literal translation of the official Czechoslovakian term is "Agricultural Production Co-operatives".

crofters, day labourers and former employees of the subdivided estates. It is the objective of the present paper to examine the impact of the later provision.

A. Legal Provisions¹

The Land Distribution Act of January 1, 1920, established specific criteria by which the eligibility of co-operative corporations could be determined. Land could thus only be allocated to a farming co-operative if:

(a) The exclusive objective of the corporation is the co-operative management of a farm enterprise where all members partake actively in the work.

(b) The net profits should be divided according to individual labour and management in-puts.

(c) The members should be qualified for farming. Disabled war veterans could be exempted from this provision if members of their families could work.

Range and mountain meadow lands could be allocated to pasture co-operatives, where membership consisted of small holders. Priority to pastures was, however, afforded to communities which would use such land for common grazing of livestock owned by inhabitants of the villages.

The land could be allocated for outright purchase or on a long-term lease to the co-operative. The State was authorised to make low-interest mortgage and production loans necessary for establishment of the applicant.

The State Land Office, which was the agency administering the Land Reform Act, worked out a set of model by-laws to be considered as minimum standards for eligibility. According to these by-laws the membership should be sufficient to ensure a "respectable existence" to everybody. The co-operative should see to it that the membership does not diminish, so as to prevent power usurpation by a clique. For dead or leaving members new ones should be accepted. Each farming co-operative should be supervised by a qualified farm manager (agronom), whose appointment was confirmed and agreed upon by the State Land Office.

B. Political Considerations

The legal provision for establishment of co-operative farming was more or less a political compromise between the leftist Social

¹ The interpretations are adapted from Fiedler, F., "Pozemková Reforma" (Land Reform) in *Politika* (Politics), *Československý Kompas*, Prague, Vol. II, 1924, p. 153-159.

Democratic Party, who originally demanded outright socialisation of land, and the right wing private-property minded parties, particularly the Agrarians. The Social Democrats later on modified their stand, but insisted on retaining the large estate undivided under collective management. The radical wing of the party stubbornly maintained the land socialization position, and eventually broke away to create the Communist Party. This made the Communist ranks consist mainly of urban proletariat. Thus there was no occasion to sponsor co-operative farms.

It is not surprising that most of the Czechoslovakian farming co-operatives established under the provisions of the Land Reform Act were sponsored by political parties. Most frequently the co-operatives were founded on "residual estates" and thus helped to solve the problem of governmental compensation obligations towards the displaced employees of the expropriated land holdings. The "residual estates" were the remnants of such big holdings from which land was appropriated to eligible applicants. These estates could be allocated to: (a) individual applicants. The former employees would then be compensated in cash, or (b) a co-operative of former employees could be created on the residual estate. In that case the shares accruing to each individual in the new corporation were considered as a compensation in kind.

The latter arrangement was particularly common under Social Democratic sponsorship. "The Social Democrats, in fact, established about thirty-six producer-co-operatives between 1922-23, whose members were former employees of large estates, and assured them excellent farm holdings from the estates at very advantageous prices. Thereupon various lease-holding and farming co-operatives began to appear like mushrooms after a rain." In 1925 there were 188 co-operatives of this type with 22,809 members, and by 1926 there were 428. They began to disappear as rapidly as they sprang up, however. There was delay in obtaining the land, and the experience of the groups who had already begun cultivating co-operative farms was not very encouraging. By 1928, there remained only 61 such co-operatives with 6,598 members.

".....To forestall complete liquidation of this movement, the unions of the Czech workers' co-operatives formed a

¹ The Communists had officially assumed the attitude that without a nationalization of land ownership and without an all out-State support, co-operative farming had no chance to be successful. "The co-operative enthusiasm of the First Republic (1918-1928) was therefore approached with a considerable degree of (negative) criticism." Tauber, *op. cit.*, p. 97.

special centre to take over the administration of the co-operative farms. In 1929 this centre received 31 estates with a total area of 2,868 hectares (7,055 acres). Each estate was administered as a separate unit. But even this centralization of administration did not save the farming co-operative, and most of them were gradually liquidated."

"The liquidation of these societies shows clearly.....that this form of organization was not particularly popular and that it meant rather the fulfilment of a political demand, being more or less of an experiment. The societies in question cannot be regarded as co-operative societies in the true sense, since they are managed jointly by a central institution. Central management means that efficient working can be secured by the engagement of competent technicians, but to the worker the only result is a change of owner. Many workers, therefore, preferred later to claim compensation in money or land and to leave the society. It is noteworthy that the majority of the workers employed on the farms of these co-operative societies did not [even] belong to the societies."

1926 was the peak year of the pre-Communist developments in the farming co-operative movement in Czechoslovakia. If we keep in mind that the Land Reform left some 2,000 residual estates to be distributed we can only be impressed with the fact that better than each fifth of these large holdings was either considered for or actually turned into a farming co-operative. 428 such corporations were legally in existence by 1926. Most of them, however, fell apart even before physical operations started. The rest did not survive long enough to celebrate their first anniversary. All told only 7 (Seven) farming co-operatives were able to survive the Second World War. (See Table I).

Feierabend, L., *Agricultural Co-operatives in Czechoslovakia*, New York: Mid-European Studies Centre, (110 West 75 Street, New York), 1952, p. 46-47.

² Boker and Bulow, *op. cit.*, p. 150 and 193.

TABLE 1
Farming Co-operatives in Czechoslovakia (1919-1952)

Year	No.	Year	No.
1919	1	1931	17
1920	2	1932	15
1921	2	1933	15
1922	6	1934	13
1923	12	1935	11
1924	33	1936	10
1925	41 (188 ^a)	1937	10
1926	40 (428 ^a)	1938	10
1927	35	1939-44	7
1928	29 (61 ^a)	1945	15
1929	20 (31 ^a)	1946	24
1930	19	1951	6,250
		1952	8,686 ^c

Source: Tauber, *op. cit.*, p. 107

Tauber points out that the Union of Farm and Forest Workers initiated the creation of some three hundred farming co-operatives. "The co-operatives were incorporated so as to be eligible for land allocation, but in reality hardly one sixth of them did ever start actual farming operations." (Tauber *op. cit.* p. 97.)

After World War II the movement got a new lease on life. A Communist became Minister of Agriculture. Some seven million acres of land were confiscated from Germans and Hungarians who were expelled from Czechoslovakia. The colonizers of the abandoned land were given favourable homesteading treatment if they choose to farm co-operatively. Despite the encouragements only 18¹ farming co-operatives were established in the first post-war year. In 1947 altogether 26 such farms were in existence, several of which were on the verge of liquidation.

C. Three Case Studies

Czechoslovak farmers are traditional co-operators. They have developed one of the most extensive systems of agricultural co-operatives in the whole world. Practically each farmer belonged to at least one purchasing, sales, credit or processing co-operative². But somehow or other co-operative farming

^a Feierabend, *op. cit.*, p. 46-47. "There is no inconsistency between my and Tauber's figures. I talked about co-operatives established on paper, whereas he (Tauber) about (establishments) which actually functioned." Dr. Feierabend's personal communication to the author dated June 20, 1953.

^b *Interugra* (Prague), Vol. VI, No. 7, 1952, p. 12.

^c *News from Behind the Iron Curtain*, February 1953, p. 10.

¹ Tauber, *op. cit.*, p. 105.

² For an extensive description see: Feierabend, L., *Agricultural Co-operatives in Czechoslovakia*, New York: Mid-European Studies Centre, 1952, p. 125.

turned out to be one of the activities which the extreme individualism of the peasants would object to.

The Communists were extremely interested in finding out why only a dozen of a total of more than four hundred 'conceived' farming co-operatives were able to make a go of their enterprise. Dr. Jan Tauber, at that time Librarian of the Agricultural Research Institute in Prague, a prominent Communist and mediocre rural sociologist took upon himself the task of analyzing the "facts." A general questionnaire was sent to all the existing farming co-operatives. Ten of them were visited and studied in great detail. In the following pages we want to look at some of the interesting material much of which clearly indicates how realistically conceived were the Criteria of Success suggested by Dr. Akhtar¹.

1. DOLNI CHOBOLICE

One of the first of the post-war co-operatives was started spontaneously by a group of Communist workers in Prague-Krc. They went to the border district of Northern Bohemia and asked the Government to evacuate the Germans in the village of *Dolni Chobolice* (hops growing). Only two of the original nine members had any qualifications for farm work. From the very beginning outside labour was hired. A former ship stocker became manager. Even if one could assume goodwill on everybody's part, it would have been a tough task to make a go of the co-operative. The manager soon lost the confidence of the membership. An "adviser" from a neighbouring village was appointed. The adviser was a poor substitute for a competent resident manager. The co-operative got deeper and deeper into chaos.

Tensions among the participants grew. At least 40 per cent of the membership was constantly on the move. In July 1946, 19 families were registered as co-operators, but 35 families with a total of 150 persons came and left during the first year of the co-operative's existence. The Communists lost their grip. A Social Democratic fraction was established and sought a liquidation of the co-operative. The land was to be distributed into individual ownership. The board of directors realized that a qualified manager was necessary. They approached the Country

¹ Akhtar, S. M., "Possibilities of Co-operative Farming", *Land Economics*, February 1958, pp. 46-58.

Agricultural Commission several times with a request for a manager. When they finally got one, it was too late.

2. RUZOVA VES

The second investigated co-operative in Ruzova Ves was initiated by the Governmental administrator of the German-abandoned town. The majority of the original ten members belonged to a group of war partisans. Out of the 32 members (July 1946) 14 were from Prague and 14 families were former hired or migratory farm workers. Sixty per cent of the people were in blood relationship to the three oldest individuals. There was a great determination to stick out the difficult start and make the venture a success. Except for five families, most of the participants were Communists. The turnover was relatively low. (7 families out of 32 in the first year).

The future looked promising. The co-operative was fortunate enough to be able to hire the former manager of the nearby German-owned estate. The produce delivery quota was fulfilled to the tune of 110 per cent. The wages paid to the members were considerably higher than the national average. The first year's operation showed a nice net profit.

At the end of the first year, the manager got himself a farm and left. His successors were not farmers, and a properly qualified man could not be found in time. From then on the co-operative started disintegrating. Soon the neighbours noticed that the co-operative land and barns were deteriorating. "City slickers-Communists," the people said. They did not like the intruders in the first place. Now, since the well-liked manager left, the neighbours let go. The "co-operators" were told what the people thought of them. The "loose" city manners irritated the conservative farmers. Somewhat provocatively dressed women were a thorn in the eye of everybody. The community was all set to cut out this foreign body, too different to be absorbed. The tensions grew each day. The Department of Agriculture, in order to avoid an accusation of favouring collectivization, preferred to discourage the co-operative from continuing in such a hostile environment. The local colonization agency eventually assigned the land to qualified individual applicants. The "intruder-co-operators" voluntarily decided

¹ "Who was to be blamed? Nobody. At the time when the co-operative was voluntarily founded, no institution was available which could examine the personalities of the members nor judge the economic and social feasibility of such an enterprise. The colonization agencies of the Government were busy with greater problems and could not investigate individual cases." (Tauber, *op. cit.*, pp. 136-137.)

to move out of town, and give up their collectivization attempts. The run-of-the-mill Czech peasant had no sympathy for such "foolishness."

3. STARA HURA

In addition to Tauber's account, the author would like to digress to some personal observations of the estate, *Stara Hura* near Jihlava in Moravia, a successful co-operative farm established in 1945. The estate owner was expelled (German) and the labourers decided to take over co-operatively. A second cousin of mine, who previous to War II was a tenant¹ on a large estate nearby, was appointed manager.

¹ The tenants on large estates (Pachtyr) was a very special class of people in Czechoslovakia. The foreign aristocrats, or other large landowners, were often absentee landlords, who for a fixed rent leased the estates to a tenant. These tenants had to have considerable means in order to finance the tasks connected with the management of such large estates. They were often . . . modern agricultural entrepreneurs comparable to the ablest farm tenants in Iowa and the Middle West generally. They were . . . businessmen with capital and managerial talents . . . the vanguard of agricultural progress."

Most workers on such estates (deputatnice) were contracted on a long term basis. They lived in houses provided by the landlord and received most of the wages in kind. Theoretically free to seek other employment, these people had few alternatives. Socially they were on the bottom of the ladder.

The International Labour Office described deputatnicias as "mostly married workers (dairy herdsmen, shepherds, horsemen, stockmen, watchmen, foremen, bailiffs, maids) engaged per year who receive a dwelling, some land, and other payments in kind, and are allowed by their employer to keep stock; the total of these rewards in kind is known as 'Deputat'. Under the husband's contract the wife has generally also to work on the farm . . ."

ILO "The Representation and Organization of Agricultural Workers" Series I, No. 8, 1928, p. 129.

Dr. Brandt disagreed with the author's evaluation of a deputatnik's status as being merely "theoretically free". His objections seem to be very pertinent and are therefore quoted in full.

"In fact, after World War I the legal position of farm workers in all areas of the former German Reich and the former Austro-Hungarian State had improved more than that of industrial workers. The deputatniky were the best paid of all farm workers with special privileges that were so well protected it frequently became a serious impediment to the production of the large scale farms. They received "deputat," namely, various kinds of commodities and services as part of their contractual income. The deputatniky in Czechoslovakia had an annual contract with fixed base income plus guaranteed rate for overtime and extra work. This was the result of the particular pressure of the labour unions, because getting wages partly in kind meant security for the workers against inflation as well as a chance to convert grain into livestock. Moreover, the commodities were rated at farm wholesale prices and hence a bonus to the wage earner. Actually, the deputatniky were theoretically not free. That they lived in houses owned by the estate did not alter this at all. Their dwelling rights were so well protected that when they were dismissed for breach of contract or incompetence, they could be dislodged from their homes only by lengthy court procedures which often took years.

"If you call them "theoretically free . . . simply because many of them did not move, you may prefer to call all professors in this country . . . theoretically free because the majority of them stays in their universities.

"I take this as a serious matter, because the situation for the farm worker in Czechoslovakia under the Republic was so advanced that the Communist Regime did not find any social cause for making major changes. . . . semi-slavery . . . is being imposed on the farm population" now

Excerpts from a personal communication to the author dated June 2, 1953, from Dr. Karl Brandt, Associate Director of the Food Research Institute, Stanford University.

It was extremely interesting to note that the social stratification has hardly changed at all during the first three years of the co-operative's existence. Although the manager was a member of the co-operative whose specific job was to manage the enterprise, his attitude of social superiority towards the former deputatnici was retained. He and his family lived in the well-equipped "entrepreneur's" home where two wives of the co-operative's members were servants. His wife was still subserviently called the "gracious lady" and did not perform the heavy manual household labour.

The farm was financially "sound". The manager was a shrewd operator who knew how to make profit on his own pre-war leases. He made managerial decisions freely and considered his statutory responsibility to the elected board of directors as "lots of nonsense, because these yokels (the directors) don't know how to run a place anyway".

Despite the by-law stipulation of democratic management of the co-operative the manager retained his authoritative attitudes and had no social contact with the membership. He was highly respected by his "co-members" for professional competence. The social aloofness was a traditional relationship, which was taken for granted by the members. The co-operative was successful, but a "democratisation" did not take place. The survival was due to sound business management, and had very little to do with ideological enthusiasm. In fact, the deputatists only changed their boss¹.

D. Why Did Farming Co-operatives Fail?

It is significant to notice that most of the pre-Communist Czechoslovak farming co-operatives failed despite their economic success. This might indicate that co-operative farming belongs to the realm of psychology and sociology rather than economics. It is not a form of life which the average run-of-the-mill farmer or agricultural worker is fitted for. Sectarian ventures in this country and the Koutza in Israel are apparently successful because the necessary coherence is brought about by exceptional

¹ Tauber has found similar conditions, in Rabin where most of the workers in the collective are not members (hired labour), which reflects itself in social relations. They treat each other and the manager very correctly but coldly. The members do not call each other by first names, and "Sir" the manager. During the War they were deputatnici and nothing has changed since . . . They live in the same apartments, work the same number of hours, the industrious and lazy get the same wages . . . the centralization (collectivization) has not reassured them of self-government. Tauber, *op. cit.*, p. 115.

qualities of the membership. The Hutterite or Amanite belongs to a religion demanding communistic living. The member of such a sect has the freedom of choice. If he chooses to identify himself with the group he knows the implications.

Similarly in Israel. A "Kibbutznik" chooses the Kibbutz life out of conviction. By this virtue of religious or other ideological motivation the farming co-operatives become communities of exceptional, in a sense "non-economic" or non-materialistic men. It was a conscious surrender of a good deal of personal sovereignty by technically free men.

The average member of a Czechoslovak farming co-operative was not mentally prepared for this venture of Communist living. The majority of applicants for land were small holders, part-time farmers or agricultural workers. All of them have been haunted by insecurity. Their great ambition and ideal was to own land and to be their own bosses. Land ownership was a sign of social prestige and security. Unless the society changes completely its socio-economic structure, a migrant farm labourer cannot overnight be turned into a model member of a farming co-operative. Such a change is an evolutionary process, which takes years of indoctrination and education.

Dr. Tauber was fully aware of these circumstances. Typically, to his Communist attitudes he hypocritically predicted that:

"We have to fully agree with the tendency of our farm policies, which want to turn an agricultural proletarian first into an independent farmer and only later to attempt to make a co-operator out of him. This development can only be shortened by violent means, a method which the Czechoslovak Democracy traditionally is abstaining from. The illusion behind private property will melt away during the next decades of economic and social evolution. The farmer will then be able to freely decide on accepting the particular form of management, which seems most proper and most advantageous."¹

It is the tragic paradox of our times that the Czechoslovakian Communists forced collective farming into more than half of

¹ *Ibid.*, p. 112.

all the villages inside the first five years of their rule¹. Dr. Tauber's hypocrisy was consistent with the pre-coup Communist tactics of pretending their intention to uphold and strengthen private ownership in agriculture.

E. Socio-Economic Criteria for Success.

As a result of his findings, Tauber established ten weighted "co-efficients of success," by which the socio-economic quality of co-operative farms could be measured. The weights assigned to the individual co-efficients are shown in Table 2. Table 3 shows an array of surveyed farms judged by "Tauber's criteria."

TABLE 2
Co-efficients of Success for Farming Co-operatives

Class	Per cent of Importance
1 Economic, social, and political organization of the State and the governmental attitude toward co-operative farming. ("Civilizational magnitude," development.)	40
2 Management	20
3 Intensity of acceptance of Socialism among the membership	8
4 Natural and economic production conditions	7
5 Acceptance of the co-operative among non-member neighbours and "public relations"	5
6 "Morality" of the membership	5
7 Political tolerance	5
8 Cultural conditions (education)	5
9 Uniformity degree of descent (social class, nationality, religion)	2½
10 Ties of family relationship	2½
Total	100

Source: Tauber, Jan, "Zemelska výrobní družstva." (Agricultural Production Co-operatives) *Vesmír*, Prague, 1948, p. 142. The table is based on the opinion of about 100 persons (members of co-operative farms) interviewed in July and August, 1948.

¹ The specific methods applied were described by the present author in "The Socialization Process in Czechoslovak Agriculture." *Journal of Farm Economics*, February, 1953, pp. 88-98. The tactics of the Communist farm policies were comprehensively analyzed by Dr. Karel Hulická, "Land Reform and Politics in Czechoslovakia: 1945-1948." *Land Economics*, August, 1955.

TABLE 3
Classification of Surveyed Farming Co-operatives According to
Tauber's Co-efficients of Success (September, 1946)

Co-operatives of Success (September, 1946)											
Co-operative farm number.	Points of determination										Total
	By classes										
	1	2	3	4	5	6	7	8	9	10	
I	80	20	4	5	5	5	5	2	2.5	2.5	81
II	80	25	7	5	4	4	5	1	2.5	1	84.5
III	80	80	4	6	4	5	5	3	2.5	1	90.5
IV	80	15	8	4	4	5	5	3	2	2	78
V	80	10	5	4	4	5	5	1	2	2.5	88.5
VI	80	18	4	4	4	3	4	1	2	2.5	72.5
VII	80	20	5	2	5	5	5	3	2.5	2	79.5
VIII	80	25	2	5	1	5	5	4	2	2.5	81.5
IX ^a	80	5	4	5	1	2	1	1	1	1	51
X ^a	80	10	4	3	1	3	5	1	1	1	57

Source: Tauber, Jan, "Zemelska výrobní družstva." (Agricultural Production Co-operatives) *Vesmir*, Prague, 1948, p. 142.

A capitalistically inclined observer would of course disagree with Dr. Tauber's assigned "weights." Americans have encouraged agricultural co-operatives by granting them special status under the Clayton Act, so as to assure exemption from prosecution under the Sherman Antitrust Act. Some income tax exemptions were also given by the Capper-Volstead Act. In the late thirties, the Farm Security Administration actually established some co-operative farms as an experiment in "human resource conservation" in the federal rehabilitation attempts. The Government assistance has no doubt contributed towards the tremendous growth of agricultural co-operation in the United States. The co-operatives are, however, considered as alternatives to other capitalistic organizations. If, in surroundings of competing private enterprises, the co-operatives succeed, all right. If, by fault of incompetent management, they fail, too bad. The United States Government has no obligations to keep co-operatives alive regardless of their economic soundness. The pre-Communist Czechoslovak Government took a similar attitude.

Here, then, Dr. Tauber introduced his Communist bias. He admitted that 99 out of 100 agricultural production co-operatives

^a Farms IX and X were dissolved by the time of the "assessment." Dr. Tauber pointed out that the average "pointage" of the existing co-operative farms was about 79, while the average of the two dissolved ones was 54. He then concluded that 60 per cent seems to be a minimum for "livability."

failed but tried to rationalize the failures as a consequence of governmental indifference and concluded, logically, that all-out public support would assure success. This is by no means a startling conclusion. A frank admission that the Communists are favouring collectives *per se* would, of course, scare the farmer away. Tauber tried, therefore, to "prove" that collective agriculture is actually more efficient but has not had a proper break as yet (1948). Thus, he assigned to the "civilizational magnitude"—a synonym for socialization—40 per cent of importance. Management, the relatively most important factor if viewed by American standards, got only 20 per cent. If the author would want to suggest that the percentages should be reversed (i.e., 40 to management and may be 20 or less to governmental attitude), he would merely introduce the capitalistic bias—a procedure which would not induce Dr. Tauber to change his classifications. Our points of departure are too different to enable even partial agreement.

As for the rest of the classes (8 to 10), the percentages assigned are a matter of opinion.

Dr. Tauber concluded that "the success of collective farming [in Czechoslovakia] is primarily dependent on the political situation."¹

If a country reaches the stage at which the Government not only tolerates, but also actively supports, collective farming, then the society has acquired a desirable "civilizational boldness."² If, for any reason, the State diminishes this report, then the existence of collectives will only be assured by: (a) highly qualified professional management and (b) socialistic attitude of the membership.

These observations gave Dr. Tauber a theory by which he could clearly explain why collectivization was not a success in democratic Czechoslovakia. If the Government would only embark on an open effort to push collectivization, then there is no reason why Czechoslovakia should not be able to socialize agriculture in a hurry.

These "collectivization-happy" remarks brought some trouble on Dr. Tauber's head. When his findings were published in the summer of 1948 (some few months after the *coup d'état*), the Communists were particularly anxious not to scare the farmers into undue antagonism by advocating kolkhoz farming. Since

¹ Tauber, op. cit., p. 139
² *Ibid.*

Dr. Tauber was not only a Communist of old standing but also Director of the International Institute for Collaboration in Forestry and Agriculture an agency of the Czechoslovak Ministry of Agriculture—Julius Duris, at that time the Communist Minister of Agriculture, became extremely worried that Tauber's comments might "erroneously" be considered as the official attitude. Dr. Tauber was personally rebuked for the "strategic misplacement of the time of publication." The distribution of the book was stopped and resumed only after the Communists in 1949 openly came out for Unified Agricultural Co-operatives¹ as one of the major tools on the socialization of Czechoslovakian agriculture under the Five-Year Plan.²

F. Conclusions.

The agrarian reform in the first Czechoslovak republic has strengthened the relative position of the small-and moderate-sized peasant holding. In view of the fact that ownership of land was the great ambition of most of the rural population, these changes were apparently complying with the wishes of the majority of the people.

Co-operative farming has not convincingly proved its managerial superiority over the informal co-operation of small family farmers. This was one of the reasons why the Czechoslovak Government was reluctant to favour this form of farming. Yet, as a concession to socialist pressures, it was agreed that some of the provisions of the Land Reform Act should facilitate the creation of farming co-operatives. Such corporations had essentially the same privileges as were afforded to ordinary agricultural purchasing, selling, processing, and service co-operatives.

The movement grew fast. By 1926 more than 400 co-operative farming associations were legally incorporated. Most of these corporations were liquidated inside the first two years of their existence. By 1945 only seven were left. The pre-Communist regimes assumed that in the given socio-economic surroundings this form of farm management was unsuitable. Farming co-operatives were therefore permitted to fade away.

¹ Meissner, op. cit.

² The incident was with amazing frankness related to the present author by Dr. Tauber in the summer of 1948. It might be surprising to note that, despite his "mistake," Dr. Tauber, at the time of writing (May, 1953), still is director of the afore-mentioned Institute in Prague and apparently a member of high standing in the Party. He was sent to Russia (fall, 1952) in a delegation of Czechoslovak agricultural scientists. Only "reliable" people go to Russia on such trips.

Does this failure necessarily mean that the institution is doomed to death? By no means! In Czechoslovakia most of the "candidates" for farming co-operatives were not independent family farmers. Independence was therefore their primary goal. Co-operative farming implied too many curtailments of property and management rights and created too many social frictions. The "climate" was simply not conducive. It could very well happen that, under more favourable conditions, farming co-operatives would constitute a safeguard.

" . . . against more drastic remedies which have been applied in certain parts of the world at enormous cost in terms of human misery and sweeping sway of values such as respect for the individual personality of man. In introducing this system . . . it is the difficulty in reconciling the necessity of maintaining voluntary and democratic character, especially in communities which are educationally and socially under-developed, with the pressure of the immediate need for such transformation which will be the chief barriers in the way of its success."¹

The main lesson derived from Czechoslovakia's pre-Communist experiments is a negative one. Success cannot be assured by half-hearted measures conceived of a political compromise. Enlightened leaders should spread the "gospel" slowly and patiently into places where there is need for such institutions. The paradoxical conclusion seems therefore to be that Czechoslovak farmers were too advanced co-operators. They have "rationally" established a limit to the amount of personal sovereignty which they were willing to surrender. Economically under-developed areas with illiterate peasants probably do not encounter such barriers of sophistication.

Presently the only really successful co-operative farms are in Israel. Yet, we know very little about their competitive superiority. As long as our pool of knowledge remains so deficient, " . . . any idea claiming to offer a simplified and quick solution of the immensely important problem of increasing the efficiency of family farms based neither on individual enterprise nor on the kolkhoz system must be carefully tested."²

¹ Akhtar, op. cit., p. 50.

² Professor Karl Brandt. "Otto Schiller's Farming Co-operative: A Critical Appraisal." *Land Economics*, February, 1951, p. 102

COLLECTIVE FARMS IN RUSSIA

By

D. A. PATEL.

In spite of the Government's programme of rapid industrialization Russia is still predominantly an agricultural country like India. More than half of the population of Russia (about 20 crores) depend for their maintenance on agriculture, forestry and fishing, and the city dwellers also are connected with peasant life, in some way or the other, as they go to their villages for the harvest and also keep vegetable plots and rear poultry and live-stock round their dwellings.

Russian peasants are also notoriously conservative as everywhere in the World. They generally rely on nature and are less accessible to new ideas and prompt action than their urban brethren. The System of "Collective Farm" there was not adopted voluntarily by the peasants, but was thrust upon them from above, by the Government.

Between 1929-1939, some 20 million small holdings were consolidated into about 2,40,000 Collective Farms in spite of the opposition of millions of peasants who were sent by the Government to labour-camps or exiled to distant places, and even millions of those who had joined the Collective Farms, had slaughtered their horses and other live-stock as a protest against the State action.

Thus though in theory these Collective Farms were supposed to be voluntary associations of farmers who pooled their resources to form a large co-operative enterprise, *in fact* they were all forced upon the people by the Communist Party and this compulsion had actually resulted in violence, slaughter of horses and other live-stock, illegal disposal of crops and even famine, so much so, that the sufferings and loss of this collectivization period is said to have exceeded even that caused by the World War II.

The original object of the collectivization of farms was the ultimate conversion of the peasantry into a Rural Society working for wages on very big State owned farms, but subsequently by 1935 this high ideal had to be given up, though some State owned farms were organized and continue to exist. The peasants on the Collective Farms got two concessions *viz*:

(1) They are allowed the right to keep for themselves whatever remained after the payment of Government dues which were heavy, and

(2) Each peasant is allowed to keep his own house and garden-plot, a cow and some other animals.

On the other hand, Government has through these Farms realised its objective of obtaining what it requires from the farms for supply to the Cities.

The State controls these farms through about 7,000 *Machine Tractor Stations* which supply both machinery and operators and which have made the Soviet Agriculture highly mechanized as in the U.S.A. The charges of the M.T.S. are very high and are payable not in cash but in kind. Thus the poor peasant is required to pay heavily for the industrialization of the country and yet he has wonderfully kept up his identity and individualism.

How the Farms are worked.—Individual peasants are not paid wages, but get a share in the profits of the farm which are measured and calculated in terms of *Labour Days*. There are nine different rates for labour days, ranging from $\frac{1}{2}$ for the least skilled work to $2\frac{1}{2}$ labour days for the most skilled and most difficult work *e.g.*, a worker who weeds an acre of onions is credited with $\frac{1}{2}$ labour day, while a worker who picks two acres of cotton gets credit for $2\frac{1}{2}$ labour days. At the end of the year each farm divides its total net produce (after deducting taxes and reserves) by the total number of labour-days for all the members, and each member gets his share according to the total number of labour-days entered in his name in the accounts.

The peasants generally work in groups of 30 to 60 members. Bonuses are given for beyond plan productions and incentives by way of grant of medals, titles etc. are offered to those peasants who exceed the prescribed maximum for each crop, for milking or for other works. Thus a sense of "Socialist Competition" is encouraged by special rewards for breaking records. Winners of such prizes are praised in public meetings and also get their photos published in the papers. Further, the more producing and industrious are given the chance to study further about agriculture, engineering etc.

Position of Women—Women in Russia are not required to pay their earnings to their husbands and they are allowed to rise to positions of leadership. About 70 per cent of Squad leaders are women and some chairmen of the Collective Farms are also women.

General Management.—A Collective Farm is in *theory* managed by the general meeting of its members, but in actual practice it is run and managed entirely by a Chairman who is sent from outside. The production quotas of the farms are determined and assigned by the Ministry of Agriculture and their operations are supervised by the local Government Heads.

On the other hand, it is complained that the peasants underestimate their produce in order to escape or evade Government taxes.

In 1949 there were 2,53,000 Collective Farms with 75 families and 1,200 acres under cultivation in each, but by 1952, the number has been brought down to 97,000.

In the Moscow region, 6,000 farms have been consolidated into 1,700 units each having about 1,800 acres and 250 able bodied farmers. In Ukraine, 866 farms have been merged into 342 units with 7,400 acres each.

Soviet Peasant Household.—The Russian farmer is very fond of his *household* which he cherishes the most, so much so that the Government had to recognize it in 1935 in order to reconcile the farmers to collectivization. The Soviet Land Code defines it as "a family labour association of persons jointly engaged in agriculture." It may consist of any number of persons related by blood or marriage or by adoption into the household who carry on a joint domestic economy. At present, this household rarely contains more than 15 persons.

Under the Soviet Law, the land which might belong to a peasant household is restricted from 5/8th of an acre to 2½ acres and the total area of such household farms comes to about 5 per cent of the total cultivated area in the country. Thus though the percentage of area is small, its total income is about 20 per cent of the total agricultural production in the country. This clearly shows that the peasant devotes more energies to his own household plot than to the Collective Farm, and even though these peasant household plots are comparatively very small and are also taxed substantially by the Government, it is said that the farmer gets *as much income* from it as his income from the Collective Farm! In addition to his plot, a Soviet household is allowed to own one cow, two calves, one sow, ten sheep and goats and any number of fowls and rabbits and 20 bee-hives.

The members of the peasant household being bound by closest ties select a head to administer their affairs and decisions are taken by a majority vote of the adults in case of difference of opinions. The powers of the head are governed by tradition and custom, though sometimes some disputes are referred to Courts also. Thus, in spite of the legislative measures intended to give a death blow to the peasant household system, it has been able to maintain its traditional importance not only from the economic and legal point of view, but also from the Social point of view.

Marketing.—The peasant takes the produce of his household plot, as well as his share in the Collective Farm produce to the Collective Farm Market where prices are free and not controlled. In the Soviet Union there are 4,500 such markets *i.e.*, more than the number of cities or towns in the Country.

Small Scale and Cottage Industries.—As a result of collectivization, hand-weaving, shoe-making and other home industries have declined and so there is shortage of consumer goods which the peasants are required to buy from the State owned village shops or from elsewhere at exorbitant rates in the black market. (Adapted from the *Atlantic* for March 1953).

Lesson for India.—The above details and description of the much advertized social and economic revolution (within a short period) of its population by the Soviet Union is an eye-opener to us in India. Our agriculturists are no less orthodox or wedded to tradition than those in Russia. The above description shows some of the evil effects of collectivization and also of mechanization of agriculture. The total rural population of India is more than that of Russia, and if we consolidate all our holdings into big farms and use machinery for their cultivation, what will happen to the surplus peasants and labourers who would be thrown out of employment? The only alternative occupation for these would be the revival and development of cottage industries like hand-weaving, tanning, shoe-making, milking, oil-crushing etc. But unless they are substantially subsidized by the State it would be impossible for such home industries to compete with machine made articles and the consumers would not be able to patronize them.

The Five-Year Plan has made some useful recommendations regarding the solution of this difficulty and *Bharat Sevak Samaj* which has been recently formed as a Quasi-State but non-political

institution is trying to carry out those recommendations in actual practice. If the public co-operate with the work of this body, it is expected that we shall be able to get all the benefits of the Five-Year Plan and avoid the evil effects of collectivization from which the Russian peasants are suffering.

It is, therefore, hoped that all the parties in the country and also the educated persons who profess to be the leaders of the people will co-operate heartily and actually with the activities of the Bharat Sevak Samaj.

HANDLOOM WEAVERS IN THE MADRAS STATE RELIEF OF DISTRESS THROUGH CO-OPERATIVES

By

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The years 1952 and 1953 may be regarded as a crucial period in the history of the handloom industry; for, it is in these years, that the industry has been passing through unprecedented stress and strain and has drawn the attention of the public and Governments, both State and Union, to the importance and imperative need of doing the utmost to solve its chronic problems. The Government of India realised the situation and decided to take the following steps for the rehabilitation of the industry:

(i) constitution of an All-India Handloom Board with comprehensive functions;

(ii) levy of a cess on mill-made cloth for the purpose of helping handloom weavers;

(iii) constitution of a Textile Enquiry Committee to go into the question of the steps to be taken with a view to ensuring that the three different sectors of the textile industry, *viz.*, mills, powerlooms and handlooms take their proper place in the economy of the country from the point of view of the greatest economic and social benefit to the country and

(iv) certain interim measures directed towards ensuring an assured market for the products of the handloom industry, *e.g.*, restricting production of dhoties by mills to 60 per cent of their output of this variety during the 12 months ending March 1952 and prohibiting piece-dyeing of sarrees by mills.

These decisions indicate the realisation on the part of the Government of India of the great importance of the handloom industry in the economy of the country and their desire to evolve a permanent solution for the numerous difficulties that beset that industry. In fact, during his recent visit to South India, when he visited the Madras State Handloom Weavers' Co-operative Society, the Prime Minister of India was pleased to express his opinion of the Industry in the following words:

'The Government of India are particularly conscious of the importance of the industry because of the fact that large numbers of their countrymen are concerned with it. . . . The question of giving first priority and

first importance to this industry in India is certainly recognised now though not before. You may rest assured that all of us will give the fullest attention to the needs of the weavers and this great industry of India.'

These words sum up the importance of the industry. There are about 28 lakhs of handlooms in this country on which nearly 15 million people depend for their livelihood. Their estimated output is about 1,300 million yards of cloth which forms about 26 per cent of the cloth consumed in this country. In the Madras State, there are about 6 lakhs of looms *i.e.*, about 1/5th of the total number of looms in the country. Even though the industry plays such an important part in meeting the requirements of cloth in the country and to some extent of even other countries, it has its own problems like any other industry.

It would be good to know some of the pressing problems of the handloom industry and its structure before we examine the measures already undertaken to relieve its distress and the schemes proposed to be implemented by Government with a view to find a permanent solution for those problems and put the industry on a firm and sound basis.

DIFFICULTIES FACED BY THE HANDLOOM WEAVERS

The main difficulties faced by the handloom weavers are:

(i) **Inadequate Supply of Yarn:** Experience has shown that yarn of the required counts made available at reasonable prices for the handloom industry after meeting the requirements of the composite mills is not sufficient to provide a weaver with work which will keep him employed throughout the month. It gives him work only for about 10 days. As weaving is his main occupation, he is unable to pursue any other avocation to supplement his earnings from weaving with the result that he and his family are often on the verge of starvation.

(ii) **Competition from Mill Industry:** Even the cloth he has produced out of the meagre supply of yarn, the weaver is not able to sell. There is plenty of mill cloth in the market in attractive finish and design capable of satisfying the most fastidious consumer. The prices of handloom cloth are governed by the high prices of yarn made available for handlooms, by the high cost of processing and colouring, and by the increased charges for manufacturing cloth as compared with mill cloth. The industry

has to pay nearly 20 per cent more for the yarn than what is paid by the mill industry.

(iii) **Loss of Export Markets:** In the past, external markets played a large part in ensuring a demand for the handloom products of this country. The Sarongs and Lungies produced in the South were popular in the markets of Singapore, Ceylon and other far-eastern countries. The Madras handkerchiefs formed an important article of export to Africa. But now competition from Japan and other countries and the import restrictions in some of these countries have affected considerably the export of handloom cloth.

(iv) **Want of Technical Assistance and Research:** The handloom industry has not had the benefit of technical assistance and reasearch on a large scale. The looms are mostly pit looms provided with fly shuttle and their capacity for production is 6 to 8 yards per day. No improvements whereby the handloom weaver can produce more at less cost have been made available to him. He is not provided with new designs and patterns to suit the taste of the consuming public. He is not assured of adequate facilities to give a better finish to the cloth by bleaching and calendering. Better methods of processing and colouring at lower cost are not available to him.

(v) **Lack of Organisation:** The crux of the problem is organisation. Excepting the weavers in the co-operative fold, others have not organised themselves effectively. Most of them are under the grip of master weavers who exploit them for their own benefit.

STRUCTURE OF THE HANDLOOM INDUSTRY IN THE MADRAS STATE

How are the weavers dispersed in the economy of the handloom industry in this State? Some of them are independent weavers; some are working under "Kharkanas" or handloom factories; the bulk of them work under master weavers, and not an inconsiderable number—it is estimated that about 1/5th of them—is organised under the weavers' co-operative societies.

(i) **Independent Weavers:** The weaver under this class is free to produce whatever varieties he chooses and works whenever convenient to him. As we know, the yarn and cloth markets are subject to violent fluctuations and this class of weaver is a victim of such fluctuations. He is ordinarily a man of little means. He seldom has funds to pay for the yarn and therefore borrows money or obtains yarn on credit from a dealer or trader

in which case he pays a slightly higher rate for it and returns the money with interest at high rates. Sometimes the lender binds him by stipulating that he should sell his cloth to him. Thus the weaver is hit both ways. He has not only to pay a high price for the yarn or a high rate of interest for the money borrowed, but he has also to sell the cloth to the lender at the price fixed by the latter. He is therefore deprived of a large part of his wages.

(ii) **Weavers Working in Factories:** In the West Coast and some other places, handloom weavers are organised under factories where they go and work for wages on the looms provided. A weaver in the factory has no worry of purchasing yarn or selling the cloth. It is the responsibility of the factory owners to make arrangements for the purchase of yarn, for dyeing, for carrying out the preparatory processes, and for marketing. In periods of boom, the weaver is employed throughout the month, but in periods of slump, such as the one we are witnessing today, his services are not required.

(iii) **Weavers Under Master-Weavers:** A weaver under this system too does not need funds for procuring yarn. He does not also worry about marketing the cloth produced by him. These are attended to by the master-weaver. The weaver gets only the wages for weaving the yarn given by the master-weaver into cloth. During periods when the handloom cloth market is brisk, the master-weaver sells the cloth and reaps a harvest. He does not pay wages to the weavers working under him proportionate to the selling price of cloth. The weaver should take whatever wages are offered to him or else he would go without work. He resigns himself to a life of bondage under the master-weaver as he has no money to ply his trade independently or to pay back the advances received from the master-weaver. When there is slump in the handloom trade, the weaver under the master-weaver finds that he is not employed fully; he is given work for less and less number of days on low wages, and is finally told that there is no work.

(iv) **Weavers Under the Co-operative Fold:** As indicated elsewhere there are about 6 lakhs of weavers in this State. About 1/5th of them have joined the weavers' co-operative societies which number 539. These weavers pay a small share capital of about Rs. 25 to become members thereof. The "Co-operative" weaver is supplied with yarn by the society. Warping and sizing are usually done by him. He weaves the yarn into cloth according to the specifications prescribed by the society. Sometimes he

is paid small cash advances along with the yarn. As soon as he delivers the cloth to the society, he gets his wages according to the rate already fixed by the Board of Directors of the society with reference to the selling price of cloth in the market. The society undertakes the responsibility of selling the cloth at the best market price. It sells the cloth to the Madras State Handloom Weavers' Co-operative Society to which it is affiliated, to merchants and to the consuming public. If the market is dull, it holds up the stock for a better market. Further production is not stopped on account of this. The society has its own funds or money borrowed from the co-operative central banks to give continuous employment to its members. At the end of the year, when the accounts are closed and the net profit is arrived at, the society sets apart a moiety towards Reserve Fund, Reserve for fluctuation in prices of cloth, wages equalisation fund, common good fund, etc., and distributes the balance by way of dividend on share capital contributed by its members and bonus in proportion to the wages earned by them. The dividend and bonus paid in lump by the society at the end of every year is helpful to the weaver in discharging the sundry debts he has incurred during the year and in meeting ceremonial expenses such as marriage, etc. The compulsory thrift deposit system in vogue in societies enables the weaver to put by one anna per rupee of wages earned by him. This enables him to build up a substantial amount to his credit in the society which is ultimately converted into share capital on which he receives dividend at the end of the year. The Wages Equalisation Fund of the society built out of net profits helps him to get in times of slump a fair wage to maintain himself and his family. The Common Good Fund is utilised by the society in providing medical aid and assistance and in educating his children. The weavers' co-operative societies are affiliated to the Madras State Handloom Weavers' Co-operative Society which arranges to procure yarn and supply it to them at a low margin of profit. The State Society also helps to market a part of their products through its several emporia established in and outside the State.

Both the Government of India and the Madras State Government have realised that one of the main problems of the handloom industry to be tackled is the organisation of the weavers on proper lines and that the best way to do it is to bring them under the co-operative fold. They have therefore come forward from time to time to help the industry through co-operatives. The grant-in-aid

provided by the Government of India in 1934-35 for the handloom industry was administered through the Madras State Handloom Weavers' Co-operative Society. They entrusted the State Society with orders for the supply of handloom cloth to the Supply Department of the Government of India during the war period. The Madras State Government have helped the State Society from time to time with financial aid by way of guarantee to the Madras State Co-operative Bank and the Imperial Bank of India. They have helped it in getting yarn from the mills at controlled rates; they have lent it the services of some of their officers. They have sanctioned a special staff for the supervision of the working of the weavers' co-operative societies. During the period of control over distribution of yarn and informal rationing, the weavers under the co-operative fold were allowed 20 per cent extra yarn. The State Government recognised the State Society's contribution to the development of the handloom industry and thought it proper to entrust it with the distribution of yarn to even weavers outside the co-operative fold when control over yarn was reimposed in 1948.

MEASURES OF RELIEF ADOPTED BY THE STATE AND CENTRAL GOVERNMENTS

The Madras Government introduced a scheme of relief for weavers towards the end of 1949 and worked it only through weavers' co-operative societies. The scheme has been reintroduced by Government from July 1952 and it is being worked through weavers' co-operative societies. Under the scheme, Government have sanctioned a loan of Rs. 35 lakhs to the Madras State Co-operative Bank. A sum of Rs. 15 lakhs has been ear-marked by the State Co-operative Bank out of its own funds. Weavers' Co-operative Societies have thus been enabled to provide continuous work for their members who were threatened with unemployment on account of the acute slump through which the handloom industry is just now passing. The State Government have guaranteed the repayment of the loans issued by the Co-operative Central Banks under the scheme. They have also undertaken to make good the loss sustained by weavers' co-operative societies in the production and sale of handloom goods produced under the scheme on account of fluctuation in prices. The Relief Scheme provides for giving an interest free loan of Rs. 25 to every weaver to enable him to pay the required share capital and join a weavers' co-operative society working the scheme. Government have provided a sum of Rs. 5 lakhs for this purpose as an initial allotment.

On 31st October 1953, 131 societies in the State were working the scheme with 16,200 looms. They produced 55.65 lakhs of

yards of cloth worth Rs. 36.63 lakhs and sold 49.02 lakhs yards worth Rs. 32.11 lakhs. The interest free loans issued and outstanding against weavers' co-operative societies amounted to Rs. 0.27 lakhs. The amount due by the weavers' co-operative societies to the Central Banks on account of borrowings made under the scheme was Rs. 8.69 lakhs.

Installation of Calendering Plant. The Madras State Handloom Weavers' Co-operative Society has taken steps to establish a printing and calendering plant at Erode at an estimated cost of Rs. 5.6 lakhs. The Government of India have sanctioned a grant of Rs. 2,15,700 from out of the Handloom Development Fund. The Madras State Government have sanctioned Rs. 1,40,000 towards the cost of installation.

Scheme of Introduction of Semi-Automatic Looms. The Government of India were pleased to sanction as grant, a sum of Rs. 1 lakh to the composite Madras State for the purchase and installation of semi-automatic looms. The Madras State Handloom Weavers' Co-operative Society submitted a scheme for the purchase of 400 such looms to be distributed at the rate of 4 looms to each of the 100 societies to be selected in all the districts of the composite State. The cost of 400 looms is estimated at Rs. 2 lakhs. According to the proposal, 50 per cent of the cost over and above the grant given by the Government of India will have to be met by the societies concerned and the balance by the Madras State Government. The details of the scheme to be worked in the Residuary Madras State with reference to the amount to be allocated to its share are under consideration.

Schemes to be Financed out of Cess on Mill Cloth. The most important and far-reaching decision so far taken by the Government of India is the constitution of a fund out of a levy of a cess at the rate of Rs. 0-0-3 per yard of mill cloth (except the cloth exported) produced in the country for the purpose of rehabilitating the handloom industry. Out of a sum of about Rs. 5 crores expected to be collected by way of this cess, the Government of India have already sanctioned a sum of Rs. 124.9 lakhs for the year 1953-54 for implementing the several schemes formulated for the composite Madras State. An additional sum of Rs. 23 lakhs has since been made available for which certain schemes are under consideration. The schemes to be implemented with the aid of the sum of Rs. 124.9 lakhs are indicated below :

(1) *Proposals for bringing 50,000 weavers within the co-operative fold:—*

	Rs.	
(a) Advance to new weavers towards share capital to join weavers' co-operative societies ...	10,00,000	(Loan)
(b) Loans to weavers' co-operative societies towards working capital ...	40,00,000	"
(c) Staff for organisation and supervision of the societies ...	1,00,000	
(2) <i>Rural and Regional Marketing :</i>	(Subsidy)	
(a) Opening of new rural depots ...	5,10,660	"
(b) Opening of Central depots ...		
(c) Supervision cost of depots within the State ...		
(d) Inter-State depots ...		
(e) Supervision cost of depots outside the State ...		
(3) Purchase of vans for mobile shops ...	3,77,000	"
(4) Publicity ...	50,000	"
(5) Travelling Allowance for Standardisation Committee ...	13,000	"
(6) Supply of standard reeds ...	1,00,000	"
(7) Supply of devices to regulate picks ...	25,000	"
(8) Supply of fly shuttle looms ...	25,000	"
(9) Starting of dye houses ...	1,20,000	"
(10) Awarding prizes for good designs ...	11,250	"
(11) Pattern making factories ...	58,800	"
(12) Supply of pedal looms to societies ...	20,000	"
(13) Rebate on sale of handloom cloth ...	50,00,000	"
(14) Supply of ready-made warps ...	50,000	(Loan)
(15) Inspection and stamping cloth ...	37,500	"
(16) Loan to the South India Co-operative Spinning Mills ...	10,00,000	"

The sums referred to above relate to the composite State. The Madras Government have recommended that the sums may be divided among the Residuary Madras, Andhra and Mysore areas which formed the composite Madras State, in the proportion of the number of looms in the three areas *i.e.*, 66.2 per cent 32.1 per cent and 1.7 per cent after excluding the amount of Rs. 10 lakhs intended for the South India Co-operative Spinning Mills.

External Marketing: The Government of India have sanctioned the scheme drawn up by the Registrar of Co-operative Societies, Madras, for the opening of emporia in foreign countries and the

appointment of Marketing Officers to dispose of handloom cloth in those countries. The scheme will cost Rs. 3.5 lakhs. The State Handloom Weavers' Co-operative Society has agreed to contribute Rs. 63,000 towards its share of the cost. Four handloom cloth Marketing Officers will be stationed one each at Colombo, Singapore, Rangoon and Bhagdad. Seven emporia will be started one each at Colombo, Singapore, Bangkok, Chittagong, Aden, Karachi and Rangoon. The Madras State Handloom Weavers' Co-operative Society will work the scheme as the agent of the All-India Handloom Board for the purpose. It will handle not only its goods but also those entrusted to it by handloom weavers or traders in any part of India.

CONCLUSION

Of the above schemes, the scheme of relief adopted by the State Government is only a temporary one to mitigate the horror of unemployment among weavers caused by the present slump in the handloom trade and to provide continuous employment and atleast a subsistence wage to the weavers in the co-operative fold and to those who may join the societies. Incidentally it aims at bringing more weavers into the co-operative fold. It does not profess to offer a permanent solution to the several problems of the handloom industry referred to above. The schemes of installing a printing and calendering plant, the introduction of semi-automatic looms, supply of standard reeds and setting up standardisation committees, inspection and stamping of cloth, supply of fly shuttle looms, and devices to regulate picks, starting of dye houses and pattern making factories, award of prizes for good designs, and supply of ready made warps, will go a long way to provide the handloom industry with adequate technical assistance and research. The scheme to bring 50,000 weavers into the co-operative fold will be a good beginning towards solving the problems of want of effective organisation among the handloom weavers. The opening of rural and inter-State depots, running of mobile shops, provision for publicity and rebate to consumers and the scheme of external marketing will help to solve the most serious problem of the industry *viz.*, marketing. These schemes will help not only to develop the internal market, but also to regain the export markets which are gradually slipping away.

All these schemes have not, however, provided for measures to solve the problem of inadequate supply of yarn and the severe competition from the Mill industry. As regards the supply of yarn, the problem has not been acute in recent years, as

evidenced by the fact that the Government of India were forced to relax control over the distribution of free yarn *i.e.*, yarn made available for handloom industry, to enable the mills to liquidate their stocks. They even allowed mills to export fairly large quantities of yarn with a view to dispose of the unsold stock on hand. It is apparent that in the opinion of Government the problem facing the handloom industry is at the moment not so much the inadequacy of yarn supplies as the saleability of its products. The All-India Handloom Board is however in favour of encouraging organisation of Spinning Mills on co-operative lines as a step towards solving this problem. In fact, the Government of India have sanctioned a loan of Rs. 10 lakhs to the South India Co-operative Spinning Mills. But this will not touch even the fringe of the problem. The Government of India will have to consider in due time the question of supplying the handloom industry, yarn at reasonable prices if not at the same rate at which composite mills get it for their weaving sections. Provision can be made towards this end in the schemes for utilising the cess money for the year 1954-55 and subsequent years.

As regards the problem of eliminating competition from mill industry, the Government of India have as an interim relief restricted the production of dhoties by mills to 60 per cent of what they produced during the 12 months ending March 1952 and appointed a Committee to go into the entire question of the rightful place of the three sectors of the cotton textile industry in the economy of the country. This is an addition to the 10 varieties of cloth already reserved for the handlooms. The Madras Government have urged on the Government of India to reserve completely all bordered dhoties and coloured sarrees. The recommendations of the Textile Enquiry Committee in this regard are eagerly awaited by the handloom industry.

HANDLOOM RELIEF SCHEMES OF BOMBAY STATE

By

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The handloom industry is one of the most important cottage industries of the Bombay State. According to the census taken by the State Textile Controller in 1951 there were 1,97,751 handlooms in this State and the number of persons depending on this industry is estimated at one million. As on 30th June 1953 there were 487 weavers' co-operative societies with a membership of 63,095.

This industry has passed through several vicissitudes during the last 25 years. It recovered only towards the end of the last world war. The Industry again underwent a change for the worse in the year 1948 which was partially due to the ban of exports of handloom goods from India to Pakistan which was one of the biggest consumers of Indian handloom textiles, and also due to the closing down of the markets in Malaya and Burma which could not be approached on account of unsettled conditions prevailing there largely through the intervention of Government. The industry however began to recover towards the end of 1950. By the middle of the year 1952 again the industry began to receive a set back due to free availability of mill-made cloth in the market. Since the beginning of the year 1953, however, the industry had to face an unprecedented slump and there was practically no demand for the handloom cloth at any of the production centres. Weavers' co-operative societies as well as private merchants had large accumulated stocks of handloom goods with them and they were reluctant to make any further purchases. This obviously resulted in the fact that the weavers could not continue their production activities as the finished goods had no market at all. The industry thus faced a crisis with the effect that a large number of handloom weavers faced the problem of unemployment. The Government of Bombay was keenly watching the situation and launched a relief scheme on an extensive scale. It was proposed to organise relief centres throughout the State engaging 20,000 looms and granting loans to the weavers' societies for purchase of raw materials and payment of wages. Government orders in this behalf were issued early in September 1953. The main features of the schemes are as follows:—

(1) Financial assistance is to be given through co-operative societies only. Those weavers who are not members would be induced to join co-operative societies.

(2) Co-operative Societies at important handloom weaving centres would be offered assistance to run the scheme. Where it is possible, the scheme will be operated through the District Industrial Co-operative Associations.

(3) Provision has been made for sanctioning a loan of Rs. 200 per loom. The total financial assistance that has been provided by Government is Rs. 22 lakhs for working capital. The loan will bear interest at the rate of 5 per cent to the societies.

(4) Provision has also been made for admission of 20,000 weavers into the co-operative fold. Each such weaver would be given a loan of Rs. 11 (Rs. 10 share capital plus Re. 1 entrance fee) in order to enable him to find share capital to join the society. This loan will bear interest at the rate of 6½ per cent.

(5) Yarn will be supplied to the weavers and the finished cloth will be taken over by the society which in conjunction with the District Industrial Co-operative Associations and the Provincial Industrial Co-operative Association will be responsible for marketing it.

(6) The handloom weavers will be paid wages on the basis of 10 annas as weaving wages for a day's work. Standard production per day of 8 hours working has also been laid down. In addition to this, preparatory charges at 40 per cent of the weaving wages have been provided for under the scheme.

(7) The scheme will be under the general control in each district of the Control Committee which will consist of the Collector of the district as Chairman, the Chairman of the District Industrial Co-operative Association, two prominent persons connected with the handloom industry to be nominated by the Collector and the Assistant Registrar of Co-operative Societies of the district, as members. The local District Officer for Industrial Co-operatives and Village Industries will be the Secretary of the Committee. The Committee will direct the operation of the scheme. Its function would be to assist the societies and form new ones where it is necessary to do so. It will be responsible for the production of marketable varieties of cloth, for supervision over the activities of the scheme and over marketing of handloom cloth. The Committee is expected to keep a watch over the expenditure and direct production in accordance with the demand of the market.

(8) Special staff will be appointed to assist the societies in the inspection of the cloth, maintenance of accounts and for marketing their goods.

(9) Supervisors at the rate of one for 250 looms are also to be appointed.

(10) 50 per cent of the profits of the scheme will be credited to the reserve fund of the society and the remaining 50 per cent will be given over to the weavers.

(11) The scheme is to continue for a period of 6 months in the first instance. The question regarding continuance of the scheme during the year 1954-55 is under the consideration of Government.

From the details given above it will be observed that the scheme is to be implemented through the weavers' co-operative societies and District Industrial Co-operative Associations which are the apex institutions of industrial co-operatives at the district level. Provision has also been made in the scheme to enrol new weavers as members of the co-operative societies which ensures that even if some weaver desirous of having relief under the scheme could do so by enrolling himself as a member of a nearby co-operative society if he is not already in the co-operative fold. Till the middle of December 1953, 58 weavers' societies have been granted loans under the scheme to the extent of Rs. 4,10,505.

The Government of India also being very keenly alive to the necessity of developing the handloom industry from the point of relieving unemployment has sanctioned financial assistance of Rs. 10 lakhs for advancing loans to weavers' co-operative societies in the State for production activities to be carried out by 10,000 weavers on the basis of Rs. 100 per loom. An amount of Rs. 1 lakh has also been sanctioned by Government of India for admitting 10,000 weavers of the State as members of co-operative societies so that large number of handloom weavers could avail the facilities that are being granted for the development of handloom industry through co-operative societies.

The Government of India has also sanctioned financial assistance to this State for implementing various schemes for the development of handloom industry, details of which are given below :—

Improved Implements :—Many handloom weavers use old types of looms and hence the production is not adequate nor is the production of the standard varieties which can be marketed

at competitive rates as far as possible. As the weavers and their co-operative societies have no resources to purchase improved types of looms the Government of India has sanctioned financial assistance to the extent of Rs. 2 lakhs for the purpose of replacing 2,000 throw-shuttle looms by fly-shuttle looms and the introduction of automatic take-up motion to 3,000 fly-shuttle type of looms.

Marketing :— Marketing is the most important problem of the handloom weaving industry particularly in Bombay State because, as has been aptly stated, this industry is working in the shadow of the textile mills. It is estimated that the handloom cloth is generally about 25 per cent to 30 per cent dearer than the mill-made cloth of the corresponding variety. Out of this 25 per cent about 10 per cent may be put down to additional cost on account of yarn cost which could be reduced substantially if direct buying of yarn on organised basis is resorted to by weavers' co-operative societies. About 1½ to 2 per cent could be reduced if the purchase of other raw materials is done centrally. There is also possibility of more economies if improved implements are used as that would mean distribution of over-head charges over a larger quantity of cloth. Realising the importance of marketing the Government of India has sanctioned a grant of Rs. 13.3 lakhs to be used for giving rebate on sale of handloom cloth to the extent of 9 pies to 1 anna 6 pies, on certain terms and conditions. This is bound to give stimulus for the consumption of handloom cloth. It is also considered necessary to have a net-work of sales depots to increase the off-take of the handloom cloth. For this purpose the Government of India has sanctioned a grant of Rs. 1,01,500 and it is proposed to organise 30 sales depots in different districts of this State. The Government of India has also sanctioned assistance to the extent of Rs. 1.2 lakhs towards the cost of purchase and maintenance of 3 motor vans which are proposed to be used for organising stalls of handloom cloth in fairs, shows, bazaars etc., in different district and taluka places.

During the year 1952-53 in large parts of the State in addition to the usual difficulties, there was a tremendous shortage in the demand for handloom cloth in view of acute scarcity conditions and the fall in the purchasing power of the agriculturists who are the main purchasers of handloom cloth. The agricultural season of 1953 has been good more or less uniformly throughout the State and local spurts in demand for handloom cloth have been reported. The present time is, therefore, most opportune for the

development of the handloom industry on a sound co-operative basis. It is a welcome sign that the Governments of the Indian Union and States have shown an awakening to the problems of the handloom industry and exhibited an anxiety to solve them. It is expected that the measures already taken and those proposed to be taken will largely reshape the handloom industry and bring happiness to the countryside and more relief of unemployment among the handloom weavers.

DEVELOPMENT OF HANDLOOM INDUSTRY ON CO-OPERATIVE BASIS IN ORISSA

By

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Handloom Industry happens to be the most important cottage industry in the State of Orissa as in other States of India. The industry had a glorious history in the past and earned a good name and fame even in foreign countries for its fineness and workmanship. But with the advent of the machine age, as international trade developed and mill-made cloth was imported into India, the handloom industry received a great shock and setback. As the weavers, illiterate and backward as they were, could not understand the complications of modern production and marketing and consequently their economic condition began to deteriorate. Generally the weavers were depending on middlemen merchants and master weavers for supply of raw materials and for marketing of finished goods as individually they lacked sufficient means to purchase and stock yarn in bulk or to hold the finished products for marketing in an advantageous manner. These middlemen merchants taking advantage of cheaper mill-made cloth available in the market began to offer a very low price for the handloom products as a result of which the handloom weavers could hardly get any margin to maintain themselves and their family. Thus the economic condition of the handloom weavers began to deteriorate still further and poor and illiterate as they were, they could not find out ways and means to improve their lot. This was the background when the question of organising handloom industry on co-operative basis came to the forefront. It is needless to say that it is now a well established fact that the only way left to the poor and helpless weavers to stand the impact of the complicated economic forces of the modern world is to organise themselves co-operatively.

So far as the State of Orissa is concerned, according to the latest available figures, there are 1,29,686 looms operating, maintaining more than a lakh of weavers families. Of these looms nearly 20 per cent is now within the co-operative fold, the total number of weaver members being 28,353 organised in 324 Weavers' Co-operative Societies of different categories. Unlike the States of Madras and Bombay where the development of handloom industry has been entrusted solely to the Co-operative

Department, so far as this State is concerned, development of cottage industries including handloom, of course, continues to be the dual responsibility of two Departments, namely, the Co-operative Department and the Industries Department. The Co-operative Department undertakes the organisation and supervision of Weavers' Co-operative Societies whereas the services of the technical experts and the means for development and improvement of handloom industry are at the disposal of the Industries Department. The State Handloom Textile Marketing Organisation which is sponsored and run by the State Government is under the administration and control of the Industries Department.

So far as co-operative set-up is concerned, organisation of handloom weavers started in three stages. In the first instance, it was thought necessary to organise credit co-operatives among the handloom weavers by providing them with cheap cash loans for purchase of raw materials and running their business. There are 38 such Credit Co-operative Societies still working in the State with a total membership of 709 and a working capital of Rs. 35,210. These Weavers' Co-operative Societies are affiliated to Central Co-operative Banks from whom they get credit for lending out the same as cash loans to individual weaver members.

When, however, with the advent of the Second World War free supply of yarn was controlled, a second category of Weavers' Co-operative Societies were organised commonly known as Weavers' Yarn Distribution Co-operative Societies. There are 147 such Yarn Distribution Co-operative Societies now working in the State with a membership of 14,866 and a working capital of Rs. 2,62,000. The main function of these societies is to purchase yarn in bulk collectively for the society and retail the same on cash price to the weaver members. The surplus profit after meeting the cost is distributed among the members both as dividend on share capital and also as bonus on the basis of purchases made. Some of these societies obtained their bulk supply through the Orissa Provincial Co-operative Marketing Society which indents yarn meant for weavers' co-operatives in bulk from the Mills concerned with the financial help of the Central Co-operative Banks through whom the yarn is distributed to their affiliated co-operatives.

The third stage of organisation was the creation of Production and Sale Co-operative Societies. There are 139 such Weavers' Co-operative Societies working in this State with a membership of 12,778 and a working capital of Rs. 3,12,000. The aims and

objects of these societies are to supply raw materials to the weaver members, pay wages for production and get back the finished goods for marketing. These societies, however, could not show the expected progress as they could not get the required quantity and quality of yarn and in time and also for lack of good marketing facilities for their finished goods.

To help the weavers' co-operatives of the latter two categories, *i.e.*, the Yarn Distribution Co-operative Societies and the Production and Sale Co-operative Societies, a Provincial Co-operative Marketing Society was organised for co-ordinating the co-operative marketing activities in the State including the marketing of the products of the Weavers' Co-operative Societies. This Provincial Co-operative Marketing Society has got its Headquarters at Cuttack with a show-room in which the products of Weavers' Co-operative Societies are kept for sale. The Weavers' Co-operative Societies keep their finished products on deposit basis with the Provincial Co-operative Marketing Society and the latter helps the Society in marketing their products and paying up the price after deducting a certain commission. The Provincial Co-operative Marketing Society also undertakes the responsibility of indenting yarn in bulk from Mills concerned for supply to the Weavers' Co-operative Societies through Central Co-operative Banks. Recently, however, a State Co-operative Handloom Weavers' Association was registered on the model of the Madras State Handloom Weavers' Co-operative Society when a proposal was received from the Central Government on the advice of the Handloom Board. But this Association has not yet been able to function as it has not yet been able to receive the required recognition and support from the authorities concerned.

Recently the State Government have set up a Cottage Industries Board to administer the grants for cottage industries including the additional Cess Fund granted by the Central Government on the recommendation of the Handloom Board for development of handloom industry. It has been decided in the Cottage Industries Board that loans out of this fund will be made available to the handloom weavers through Weavers' Co-operative Societies and loans will pass through the Central Co-operative Banks. Other aspects of development of handloom industry including the services of technical experts are left to the administration of the Cottage Industries Board with the assistance of the Director of Industries.

It is a very hopeful sign that the question of the development of handloom industry looms large on an all India level and all eyes are directed now for re-organising and revitalising the handloom industry on a firm co-operative basis. It is, therefore, highly desirable that a uniform policy should be followed by all the States of India in pursuance of a central guiding policy as formulated by the Central Government with the expert advice of the Handloom Board. So, I think, this is the time when a Handloom Development Commission should be set up at the centre. The Commission should go round different States in order to gather first-hand knowledge about the modes of working prevailing in different States so far as organisation and development of handloom industry is concerned and then to formulate a co-ordinated and uniform policy which the different States may follow in order to achieve an all-round success in the campaign for regeneration and development of handloom industry which continues more or less to be the most important cottage industry in almost all the States of India. There should also be a Central Handloom Textile Marketing Organisation working on co-operative lines co-ordinating the activities of the marketing organisations in handloom textiles working in different States and this Central Organisation should be the common forum through which foreign markets can be captured and orders obtained may be distributed on quota basis to different State Marketing Organisations for providing an assured market to some extent to handloom textiles of better designs. If such a co-ordinated policy could be followed in all States then it is hoped that the campaign for the regeneration and development of handloom industry which has been started recently will be a grand success.

WEAVERS' CO-OPERATIVE MOVEMENT IN WEST BENGAL AND ITS FUTURE PROGRAMME

By

A. S. SARKER.

Origin and Growth :—The Industrial Co-operative Movement in West Bengal however small it might be is essentially a movement directed towards the development of handloom industry. Naturally the entire structure from the primaries and their regional associations right upto the provincial organization represents weavers units mainly.

Tracing the History of the Movement :—It is gathered that the first industrial co-operative society—styled “Serampore Weavers’ Co-operative Society” was organized in Serampore (Dist. Hooghly) in the year 1914 i.e., just within two years of the enactment of the Co-operative Societies Act of 1912—permitting non-credit primaries and central organizations to function.

The Industrial aspect of the Co-operative Movement in the State engaged the attention of the then Provincial Government since the publication of the report of the Industrial Commission of 1916 and the recommendation of the subsequent Provincial Industrial Conference which expressed the opinion that the only hope of revival of Cottage Industries lay in their organization on co-operative basis.

The Co-operative Directorate took upon itself the work of organizing weavers’ co-operatives here and there within its limited resources. The main function of these societies at the beginning was supply of raw-materials. But there was tremendous opposition from the Mahajans. The weavers bound down to them for generations together hesitated to join the co-operatives. The initial difficulty in getting the requisite finance was no less a hurdle. The Central Banks being the only available financing agencies hesitated to invest in weavers’ societies for want of immovable security. The pre-occupation of the small Co-operative Directorate and inadequacy of staff for the purpose formed another stumbling block. Nevertheless progress however insignificant began to be steadily maintained. It will be interesting to quote relevant portion of the annual report of the co-operative societies of the State during the year 1916.

“Satisfactory progress has been made in the establishment of weavers’ societies. Steps have been taken to supply them with raw-materials at whole-sale rate with the object of retailing them to the members.”

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With the gradual expansion of the primary weavers’ co-operatives organisation of regional unions or associations were taken up to raise the required finance by way of deposits and loans to facilitate procurement of raw-materials and marketing of finished goods more efficiently.

The Bankura District Industrial Union was the first regional association of primary weavers’ co-operatives which came into being in the year 1918.

In the early twenties a sales depot under direct management of the Directorate came into existence in Calcutta to effectively tackle the problem of marketing of primary weavers’ co-operatives’ goods. In the year 1929 it was replaced by the Bengal Provincial Co-operative Industrial Society Ltd., the apex industrial society of the State. Thus it will appear that a small skeleton structure of the handloom co-operatives was set up with its primaries, regional associations and the provincial apex society for supply of raw-materials and marketing of finished goods at reasonable rates. The rate of progress uptill 1929 is indicated in the following table:

TABLE No. I
(Figures relate to West Bengal only)

Years.	No. of weavers’ societies.	No. of Members.	Working capital. Rs.	Profit or loss. Rs.
1914	2	22	900	—
1917	23	380	13,000	—
1920	74	1,050	32,000	1,500
1923	88	1,234	24,000	1,100
1926	100	1,452	39,000	1,600
1929	125	1,900	1,20,000	1,200

But unfortunately the slump of the thirties set in with its snow ball effect on the activities and business of this tiny structure. The provincial society and the regional societies had their activities much curtailed due to freezing up of working capital. The weaver members proved disloyal by pressure of circumstances. Things continued in this way for some years when a ray of hope was again discernible in the horizon. In the year 1935, Government of India initiated a policy of helping the handloom cottage industry out of the morass of depression. Grants for development of handloom industry were allocated to different States for the purpose and the Co-operative Directorate of this State was the recipient of the major share of the grant ear-marked for this State.

This measure gave a spurt to renewed activities for reorganizing and revitalizing the weavers' co-operatives in the interest of development of handloom industry. A small skeleton technical staff was appointed to give technical guidance to the weavers' co-operatives. Grants-in-aid were given to the weavers' co-operatives, for purchase of improved tools and appliances, to augment working capital and to meet establishment costs as far as practicable. These facilities however insignificant in proportion to the magnitude of this task helped some of the societies to be on their feet to render effective service in matters of procurement of raw-materials and marketing of finished goods as also in introducing improved tools and equipments. For example calendering and slasher sizing machines were given to Bagerhat Industrial Union now in East Pakistan to transform it into a full fledged co-operative factory. The technical staff helped to introduce dyeing process in some centres as also improved designs and technique.

Just within five years of renewed attempts to improve the position of the handloom co-operatives had started the last great war broke out. For the first few years of the war period the handloom co-operatives were subjected to various difficulties and in matters of procurement of raw-materials particularly. Towards the fag-end of the war years financially sound co-operatives were being appointed here and there as wholesale and retail agents of yarn under control orders on yarn and cloth. This gave a fillip to the growth of handloom co-operatives particularly in those areas where the district authorities selected the co-operatives as agents both retail and wholesale for distribution of yarn. This success encouraged gradually in many areas the district authorities to appoint co-operatives as wholesale and retail agents after the war years. But after partition the national Government initiated a clear cut policy of distribution of yarn and cloth through co-operatives wherever feasible. Progress and growth of handloom co-operatives had been beyond anticipation during this period. A Provincial Procurement Society was organized in the year 1948 which was appointed the sole agent for the whole of the State. The State Government gave cash credit facilities through the Provincial Co-operative Bank to lift yarn and carry on these functions of distribution on co-operative basis.

It may be noted that the number of primary weavers' co-operatives rose to 920 with 63,186 members having over them 19 regional associations during 1950. It will thus appear that more than 50 per cent of the total number of 1,25,000 licensed looms (one man: one

loom) came within co-operative fold. The primary weavers' co-operatives had sold out goods (both raw-material and finished products) to the extent of Rs. 27 lakhs and their regional unions to the extent of Rs. 39 lakhs and the provincial procurement society for Rs. 4.12 crores during 1950. A small table indicating in brief the growth of primary weavers' co-operatives since 1930 upto 1950 is given below:—

TABLE II
(Figures relate to West Bengal only)

Year.	No. of societies.	No. of members.	Working capital Rs.
1930	125	1,900	1,20,000
1935	111	1,632	82,000
1940	127	1,888	89,000
1945	250	4,260	1,92,000
1950	939	63,186	11,55,416

But unfortunately this spectacular progress was very short lived. Decontrol set-in twice before control orders were finally withdrawn on yarn and cloth. This mighty jolt gave a rude shock to the newly built edifice. The apex, the unions and the primaries which were saddled with heavy stock lifted under Government orders as agents had to undergo heavy loss which seriously undermined their financial position with its consequent repercussion on the financing co-operative banks. An indication of this serious position is given below :

	Share capital. Rs.	Reserve & other funds. Rs.	Profit or loss sustained. Rs.
Primaries 1950	5,27,135	2,52,288	+ 1,65,244
			+ 28,023
1951	6,51,263	2,74,877	+ 65,415
			- 103,092
1952	6,47,728	2,96,335	+ 56,168
			- 84,777
Regional Unions 1950	2,22,316	2,56,160	+ 37,303
			- 1,56,854
1951	2,20,209	2,65,209	+ 97,567
			- 60,122
1952	2,31,756	3,25,684	+ 35,544
			- 29,752

Of course had the co-operatives been lucky enough to get handling agencies under control orders from the beginning like

their sister institutions in a few other States the progress that was achieved under encouraging facilities given by the national Government after partition would have been considerably maintained, as the co-operatives would have been able to build up sufficient reserves to absorb this shock. But that was not to be. There has been a progressive decline with heavy price recession in the market. Majority of the primaries have ceased to function and 50 per cent of the regional unions have closed their doors. The provincial procurement society which was relegated to a mere retail shop in 1952 has, by this time, sung its swan song in the whirl pool of losses sustained for a few years. The unions which are still carrying on their existence have largely curtailed their operations. S.O.S. messages in the form of representation from weavers have been coming forth to the Government. The Handloom Co-operatives are caught in a struggle between existence and extinction.

FUTURE PLAN AND PROGRAMME TO REVITALIZE THE CO-OPERATIVES FOR THE DEVELOPMENT OF HANDLOOM INDUSTRY

At this critical juncture in the history of the weavers' co-operatives in the State creation of the handloom cess fund by the Government of India to render financial assistance to the handloom industry is indeed a bold measure which will immensely help the weavers' co-operatives to rehabilitate their shattered financial position so as to render effective service in the development of handloom industry on a comprehensive basis. The ship that was caught unawares by mighty gale due to sudden relaxation of control and was about to be wrecked with all hopes of rescue for weaver fading out will be on its oars again. The response to "S.O.S." call has been so timely as to create strong hopes in the minds of the sojourners to reach their goal of prosperity in the vineyard of Co-operation.

The Government of India have earmarked Rs. 18,64,600 to the State Government as its share of the handloom cess fund during the current year. As many as 11 schemes have been drawn covering up the entire allocation. As these schemes have been prepared for development of handloom industry mainly on co-operative basis their implementation will be a land mark in the history of the weavers' co-operatives and will greatly assist in solving their problems and difficulties. Let us now explain the plan and programme of work under the schemes.

(i) **A Scheme for Providing Working Capital to Handloom Co-operatives** — In this State there are as many as 1,25,000 licensed looms of which 65,000 had been brought within co-operative fold under 920 primary weavers' societies having over them 19 regional associations *i. e.*, co-operative unions upto 1952. As has already been referred to in the foregoing paras most of the primaries and their unions being depleted of their own and borrowed resources due to heavy losses have ceased to function. Dire want of finance has been the stumbling block in activating these societies in the interest of the weaver members. The financing banks which have been considerably affected because of their investments in the weavers' co-operatives becoming frozen up are not in a position to help them any more. It has become an imperative necessity to supply necessary finance to the co-operatives to activate and reorganise them. This scheme contemplates to rehabilitate and reorganise the existing co-operatives with 65,000 members and bring within co-operative fold another 35,000 weavers to reach a target of one lakh on a Five Year Plan. A loan of Rs. 12 lakhs has been provided under the scheme during the first year towards working capital of 300 selected societies with 20,000 members for procurement of raw-materials, production and marketing of finished goods. It is expected that these societies with augmented working capital will be able to carry on their normal functions and want of finance which has been the crux of the problem of the weavers' co-operatives will be considerably removed. Additional funds will be provided to another 300 societies in the subsequent year and so on according to plan to activate and reorganise all the existing societies in successive years and bring within co-operative fold weavers upto the target figure in the course of five years.

(ii) **A Scheme for Establishment of Sales Depots.** — Lack of adequate marketing facilities is another patent problem of the Industry. Suitable marketing establishments or sales depots spread over important consuming centres throughout the State will considerably assist the co-operatives in marketing their finished goods. It is proposed to open 60 sales depots during the first year under the scheme to cover all the districts and subdivisional towns and a few other important consuming centres. These will be mainly run by the weavers' co-operatives and their unions and by the Government where co-operative sales depots will not be feasible. A subsidy of Rs. 2.4 lakhs has been provided towards cost of management (both non-recurring and overhead) for these 60 sales depots at Rs. 4,000 for each during the first year. Additional co-operative sales depots will be opened in subsequent

years according to requirement. This scheme will assist the weavers' co-operatives to sell their goods to the actual consumers without incurring extra expenditure by way of overhead charges of sales depots besides strengthening the competitive position of the co-operatives and the handloom products.

(iii) **A Scheme for Rebates on Sales.**—Under this scheme a sum of Rs. one lakh has been provided during the first year towards grant of rebates on sales effected mainly by the co-operatives and by Government managed sales depots. The rebate at 9 pies to as. 1.6 in the rupee on sales although an apparent inducement to consumers will ultimately help the co-operatives to pay reasonable remuneration to the members. This measure coupled with the facility of running sales depots on extensive scale with Government subsidy towards establishment etc., will strengthen the foundation of co-operatives.

(iv) **A Scheme for Supply of Improved Appliances.**—Introduction of improved appliances has been the persistent demand of the handloom weavers. The poor weavers cannot afford and the co-operatives being short of funds have not been able to attack this problem. It is considered that replacement of primitive looms by efficient ones will increase efficiency of production and earning capacity of the weavers. In the State there are about 1.10 lakh fly-shuttle looms and 12,000 throw-shuttle looms besides near-about 3,000 semi-automatic looms. It is therefore, proposed to convert 1,000 throw-shuttle to fly-shuttle and introduce automatic take-up motion attachment to 1,000 fly-shuttle looms with a subsidy of Rs. 75,000 and offer another 100 semi-automatic looms on loan for Rs. 40,000. These facilities will be given to members of co-operatives mainly if not exclusively. Difficulty of the co-operatives in introducing improved appliances will be thus considerably alleviated.

(v) **Establishment of Regional Dye-Houses.**—Absence of reliable dyeing agencies in rural areas has been responsible for undermining the confidence of the consuming public on coloured handloom fabrics. Over and above, the high cost of dyeing charged by the local dyers increases the cost of production. The unions and the primaries cannot afford to render necessary assistance for want of resources. This scheme contemplates to remove this difficulty of the weavers. It is proposed to start 12 regional dye-houses under the auspices of a few industrial unions and primary co-operatives during the first year with an outright grant

of Rs. 84,000 (both for recurring and non-recurring expenses). Each dye-house will be given a grant of Rs. 7,000. These facilities will be extended in subsequent years according to demand.

(vi) **A Scheme for Organisation and Supervision of Co-operatives.**—It will appear from the aforesaid schemes that the handloom co-operatives are going to play a vital role in the programme of development of handloom industry in the State and major portion of the financial assistance will be canalized through co-operatives. It is therefore essentially necessary to appoint adequate staff to assist the co-operatives in conducting their activities according to plan and programme, to supervise proper utilization of Government money and for organization and reorganization of co-operatives. The present skeleton technical staff consisting of one Assistant Director of Industries (Textile), one Marketing Officer, one canvasser, nine weaving experts and seven supervisors is inadequate for the task.

It is therefore, proposed to strengthen the existing staff by one marketing officer, one canvasser and ten supervisors and a small clerical staff at a cost of Rs. 35,000 *i.e.*, at 2 per cent of the total expenditure.

Other Schemes.—The following five schemes, are intended to be run by the Government. Nevertheless, they will assist the co-operatives. In fact, it is the co-operatives which will form the single big beneficiary by their implementation.

	Grants provided. Rs.
vii. A scheme for running a model block printing and pattern making factory.	21,100
viii. A scheme for running a mobile shop.	37,000
ix. A scheme for propaganda and publicity.	20,600
x. A scheme for award of prizes for best designs, quality of production and invention of improved appliances.	10,000
xi. A scheme for inspection and stamping of handloom cloth.	1,000

The scheme for running a block printing and pattern making factory will help supply of blocks and patterns mainly to the co-operative societies. The mobile shop will move about with products of co-operatives and of Government managed production centres. Scheme No. ix (propaganda and publicity) includes in its

objects provision to bear the expenses of supplying samples to the marketing agencies as the co-operatives cannot afford to supply samples free of cost. Cost of participation in exhibitions by co-operatives will be largely borne by the Government under the scheme, besides issue of catalogues, literature etc., on their behalf.

The scheme for award of prizes etc., is intended to encourage the talents of weavers for further improvement in quality, design and technique.

Inspection and stamping scheme provides small apparatus to the handloom staff in charge of supervision of co-operatives for the purpose of inspection of quality and stamping of prices etc., of the products of co-operative societies as a preliminary step towards implementation of quality control scheme to establish the reputation of co-operative products in the market.

The above schemes with financial implication to the extent of Rs. 18,64,600 (of which loan accounts for Rs. 12,40,000 and outright grant for the balance of Rs. 6,24,600)—earmarked for the State are intended to attack the problems of the handloom industry in their various spheres. It is believed these measures will enable the handloom co-operative structure to make up the leway and stabilize its position to render effective service to the weavers in alleviating their economic maladies.

There is another important aspect of the problems of the handloom weavers of the State which needs be attacked effectively in the interest of development of handloom industry. This relates to the problem of supply of yarn at reasonable price with a view to reducing the cost of production and thereby strengthen the competitive position of handloom cloth. In this State the weavers have to depend on Southern Indian mills for supply of yarn which they obtain by paying from 18 per cent to 25 per cent above the ex-mill rate in normal market. Besides the exploitation of intermediaries the distance factor with heavy transport and transit cost to reach the actual consumer are responsible for this state of things. The remedy lies in the establishment of a spinning plant under the ownership of the weavers through their co-operatives. But that is a stupendous affair particularly in this State and will take time to finalize a workable plan with sufficient supply of finance to work it as an economic unit. The State Government in their anxiety to give some relief to the weavers had submitted a scheme to the All-India Handloom Board to sanction a sum of Rs. 4.5 lakhs out of their discretionary fund at

4 per cent towards transport cost on the basis of estimated supply of yarn through the co-operatives which will be done with working capital to be made available under the scheme for supply of working capital to co-operatives. In West Bengal as the weavers are to be paid wages at rates higher than in many other States due to higher cost of living this double edged problem will remain a serious stumbling block in any scheme of development of the industry. The problem of supply of raw-materials at reasonable rates, therefore, needs be taken up in all earnestness. This scheme however did not get the approval of the All-India Handloom Board. But the problem is hanging fire and brooks no delay. Some measure of relief towards transport charge as accorded to Assam must be given immediately to West Bengal as well.

ROLE OF CO-OPERATIVES TO RELIEVE THE DISTRESS OF THE HANDLOOM WEAVERS IN HYDERABAD

*Contributed by
The Co-operative Department, Hyderabad*

Next to agriculture, handloom weaving is the second major cottage industry in the State approximately comprising 1,90,000 looms providing subsistence for 5 to 6 lakhs of weavers. The yarn being a controlled commodity was being distributed through Wholesale and Retail Depots working under the supervision and control of the Textile Department. Shortage of yarn and the mismanagement by the Yarn Retail Depots contributed to the exploitation of these weavers and their plight and economic distress. It was not an easy task to bring all these weavers dominated by capitalists into Co-operative fold. A beginning was however made in 1948 and a scheme in consultation with Textile Commissioner's Department was prepared to form weavers' co-operative societies wherever Yarn Retail Depots were functioning for distribution of yarn to weavers and to take up other multifarious activities. A few societies existed before organising such type of weavers' co-operative societies mainly for credit activities which did not play an important role. Since 1949 the organisation of these societies with new type of bylaws were organised and during the course of four years upto June 1953, 191 weavers' co-operatives were registered. This marks a new era and land mark in the history of handloom industry in the State as the weavers in large numbers were being organised under the co-operative societies to achieve their economic uplift and raise their standard of living. An apex organisation to co-ordinate the activities of these primary societies was organised in February 1950 with an authorised capital of Rs. 10 lakhs. The progress made by this institution in organising itself as a Central Society was remarkable; by the end of June 1953, 82 per cent of the handloom weavers was brought under the co-operative fold. Thus the long cherished goal was achieved to a great extent.

However, the organisation of primary weavers' co-operatives was only a first step to develop this industry on sound economic lines and much has yet to be done to improve the general standard of the weavers. The following figures will disclose the part played by the Central Association to provide primaries with the yarn and other loom accessories:—

No. of members ... 137 out of a total of 191

ROLE OF CO-OPS. TO RELIEVE THE DISTRESS OF WEAVERS IN HYDERABAD 245

Paid-up share capital	...	Rs. 5,74,586
Owned capital	...	„ 13,11,590
Working capital	..	„ 42,53,571

The Association during the Co-operative Year purchased goods worth Rs. 1,35,03,267 and supplies to member societies amounted to Rs. 1,39,05,005. At the close of June 1953, the Association had a stock of Rs. 11,50,316. Thus 82 per cent of the State handlooms was brought under the co-operative fold making the movement a common-man's cause for the betterment of a common-man.

Since March 1952, yarn was gradually being decontrolled and an economic slump in the market began to develop, which affected the progress of the movement and handloom weavers to earn their minimum living. The capitalists taking advantage of this situation began to exploit the weavers and as huge stocks had been accumulated due to slump in the market the position of the weavers in general was deteriorating. At this juncture the problem that confronted was efficient production and good marketing of handloom cloth. The keen competition between the mill cloth and handloom cloth had to be avoided by producing the handloom cloth at par in designs and textures on the one hand and reduce the cost of manufacture of handloom cloth on the other. As has been emphasised, it is a hard task to stabilise the handloom weavers and enable them to withstand the keen competition from mill-owners and other private merchants dealing in cloth.

With a view to make the weavers' co-operative societies self-supporting four production centres were established by the Central Association at Nizamabad, Karimnagar, Warangal and Nalgonda during 1951-'52 and work was being provided to 1,500 poor weavers. This had a good result on the moral awakening of the weavers and these four production centres gave attraction for other primaries to open such production centres with them with the result that majority of the weavers' societies established production branches and undertook the sale of goods through their local markets. In order to market the handloom fabrics sales emporia were also established in the City of Hyderabad and Secunderabad and throughout the Districts at important marketing centres. The Central Association established 14 such marketing centres and sales emporia and the primaries had their own 52 sales shops to market their goods at competitive prices. The main problem viz., marketing of the handloom goods has yet to be tackled on

well established lines and steps are being taken to introduce a scheme.

The State Government in order to encourage handloom weavers' co-operatives have given financial assistance to the tune of Rs. 13,50,000 by way of outright loan for a period of 7 years and a guarantee for Rs. 3 lakhs to the Indian Bank at Hyderabad. Apart from this a cash credit accommodation of Rs. 3 lakhs from Indian Bank and Rs. 5 lakhs from Dominion Bank are arranged and the Association is utilising these finances for procurement of yarn and other production activities. A guarantee of Rs. 50 lakhs to the Reserve Bank of India is also under the consideration of the Government and the financial position and working of the Association are being examined and schemes are being drafted to provide work for the weavers and arrange for profitable marketing. Steps also are being taken to eliminate unsocial elements which have crept into the organisation.

Further, in order to advise the State Government on the development of handloom industry and to solve the present plight of the weavers due to the economic slump in the market, a Handloom Advisory Board has been established by the Government in the month of May 1953 with eleven members on the Board. There are seven non-official members and four official members including the Registrar of Co-operative Societies. The Board had so far four sittings and is considering and formulating several schemes to redress the grievances of weavers, establish sales emporia and production centres. Under the revised scheme, 5 production centres and 30 sales shops are to be organised in the different parts of the State. The department has also submitted a scheme to the Government for prompt supervision over these societies and sales shops and guide them in proper perspective.

NOTE ON ROLE OF WEAVERS' CO-OPERATIVES IN RELIEF SCHEMES IN TRAVANCORE-COCHIN

By

The Registrar of Co-operative Societies, Trivandrum.

The Co-operative movement in the State has played an important part in the Schemes for the relief of the distress of weavers. There were 105 weavers' co-operative societies in the State with a membership of 19,025, a share capital of Rs. 1,99,687 and a working capital of Rs. 5,74,646. They had in their fold 19,990 looms and they received during the year an amount of Rs. 13,330 as grant from Government. They produced and sold goods for Rs. 40,52,915 and Rs. 31,85,497 respectively.

There are two Central Weavers' Co-operative Societies in the State viz., the Travancore Sreemoolam Handloom Weavers' Central Co-operative Society Ltd., Trivandrum and the Cochin Central Cottage Industries Co-operative Marketing Society Ltd. Trichur. The Travancore Sreemoolam Handloom Weavers' Central Co-operative Society Ltd., was the Central Society for the development of handloom weaving in the Travancore area of the State. This society had a membership of 450 composed of 271 societies and 179 individuals. It had a share capital of Rs. 50,520, a reserve fund of Rs. 28,927 and a working capital of Rs. 7,85,911. The society made total purchases to the value of Rs. 16,13,363 and the sales amounted to Rs. 15,65,765. The main business of the society consisted in the purchase and sale of yarn and in stocking and dealing in finished handloom goods. The society was one of the wholesale importers of yarn in the State. Dyeing and printing were also carried on to a limited extent. This society came under the purview of the Scheme for the development of Handloom Weaving sanctioned by Government to be worked out by the Cottage Industries Board. Under this scheme a sum of Rs. 75,000 was given by Government as grant to the society to be utilised for furthering the marketing of finished goods. The society had opened depots at Ernakulam, Pandalam, Nagercoil etc., and the question of opening more sales depots is under consideration of the society. The Cochin Central Cottage Industries Co-operative Marketing Society also functioned as the Central Society for the development of handloom weaving in the Cochin area of the State. This society had 327 members made up of 277 primary weavers societies, 37 individuals and 13 institutions. It had a paid up share capital of Rs. 13,290, a working capital of

Rs. 5,65,877 and a turnover of Rs. 2,29,12,265. The society had wholesale and retail licences to deal in yarn. The purchases and sales of yarn during the year 1952-53 amounted to Rs. 16,21,980 and Rs. 17,64,777 respectively. The society also patronised the handloom weavers who are members of the society by helping them to market their products. This society also came under the purview of the scheme sponsored by the Cottage Industries Board for the development of handloom weaving and it received a grant of Rs. 25,000.

With these two Central Societies as nuclei, the State Government with the active support and guidance of the All-India Handloom Board has ushered in schemes for the furtherance of the industry and the uplift of weaver community in general. The schemes are just beginning to be implemented.

N. B. The following are the details of grants and loans from Cess Fund:

Rebate on sales of handloom cloth made by depots run by co-operative and Government Emporia (grant) Rs. 2,00,000,

Replacement of 5,000 throw-shuttle looms by fly-shuttle looms (grant) Rs. 1,25,000.

Share capital of weavers' Co-operatives (Loan) Rs. 1,50,000.

—*M. Ed.*

NOTE ON WEAVERS' CO-OPERATIVES IN THE PUNJAB

By

Deputy Registrar of Co-operative Societies, Jullundur.

The united Punjab before partition could take prominent place among the States in respect of the population of weavers and the quality of cotton fabrics prepared in the State. Not only important centres were lost but also the muslim exodus of 1947 was responsible for depriving the State of deft weavers. The truncated Punjab had either to train the displaced persons or make use of unskilled labour scattered in patches here and there.

The growth of weavers' co-operatives had to be necessarily slow as it had to depend on the pace of training, adequate supply of yarn and finance. The Co-operative Industrial Bank at Amritsar became crippled as over 6 lakhs became frozen due to the migration of Muslim co-operators. Finance became a problem for weavers without any property.

At present there are 130 weavers' co-operative societies functioning in the State and form a very important nucleus round which further handloom co-operatives can be organised. Every important centre has atleast one co-operative and about 3,000 families are in the whole organisation. The important centres for handloom weaving are Amritsar, Kulu, Kangra, Jullundur, Hoshiarpur, Panipat, Nilokheri and Sonipat.

The co-operatives have been striving hard to switch on to the manufacture of fabrics which are remunerative and do not involve competition with the mills. Bed covers and *Keshes* from Nilokheri and Panipat found a ready market during the past 3 years. Other co-operatives actually felt the effects of depression and are still suffering. The co-operatives participated in various Exhibitions like Bombay, Madras and Patiala during the last year. The products were appreciated.

The main problems relate to improvement in designs, colours, standardisation and marketing. The yarn is dear and this fact stands in the way of inter-State marketing and export. Marketing organisations need subsidy for some time atleast and therefore they could not be established. A scheme for canalising the cess fund

through weavers' co-operatives was submitted to Government in October, 1953 in its final form. The details for its utilisation are:-

(1) Setting up of 2 emporia and seven Sale-depots	Rs. 55,000
(2) Supply of yarn to weavers' societies	1,70,620
(3) Publicity, propaganda, Exhibition and shows.	11,000
(4) Awarding of prizes for designs.	2,000
(5) Supervising staff for marketing.	99,830
Total ceiling estimates.	3,38,450

It is expected that with the sanction of the schemes the weavers will feel a great relief and the utilisation of cess fund will afford them sufficient incentive to come into the co-operative fold to enjoy the economics of joint working.

DEVELOPMENT OF HANDLOOM INDUSTRY*

SCHEMES COSTING Rs. 215 LAKHS APPROVED BY CENTRE

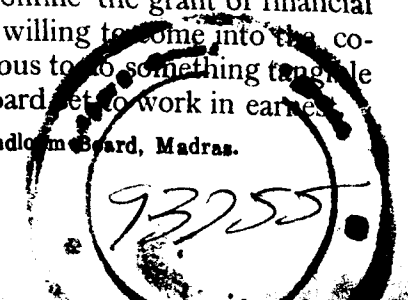
During the last three months, the Government of India have approved several handloom development schemes submitted by State Governments, costing approximately Rs. 215 lakhs out of the four crores earmarked for the development of the handloom industry in the country during the financial year 1953-54. This amount of Rs. 215 lakhs has already been placed at the disposal of the State Governments. They have under consideration further schemes involving an expenditure of about Rs. 45 lakhs and sanction for the same may be expected shortly.

The amounts so far sanctioned for the implementation of handloom development schemes will be spent mainly on rebates on sales of handloom cloth from co-operative stores and Government emporia and on the organization of the handloom weavers on sound lines by advancing as loan the working and share capitals of weavers' co-operative societies. Altogether 67 schemes of seven other State Governments are under consideration. It is expected that before the end of this month the remaining States also will send up their schemes.

Plight of Handloom Industry.—The present All-India Handloom Board was constituted by the Government of India in November 1952. A few months prior to that there was a slump in the commodity markets and large stocks of handloom cloth had accumulated with weavers and weavers' co-operative societies. Weavers were finding it difficult to earn a living and a large number of them had to stop working. When the new Board was constituted, the Government of India felt that distress among weavers was due primarily to the lack of proper organisation of the handloom industry and of adequate facilities for marketing handloom fabrics. Inaugurating the first meeting of the All-India Handloom Board on December 13, 1952, Shri T. T. Krishnamachari, the Minister for Commerce and Industry, Government of India, stated that one of the main problems that the Board had to tackle was the organisation of the handloom industry on proper lines. According to him, the best way of achieving this objective was to bring the weavers within the co-operative fold. He said that the Board might, as far as possible, confine the grant of financial assistance to weavers belonging to or willing to come into the co-operative fold. Government was anxious to do something tangible for the handloom industry and the Board set to work in earnest.

*Note kindly supplied by the All-India Handloom Board, Madras.

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Loans to States.—In August 1953 the second meeting of the All-India Handloom Board considered in detail the various handloom development schemes submitted by the State Governments. The Board laid down the broad principles that should govern the sanction of grants and loans to the different States for the development schemes. Following the approval of these broad principles by the Government of India, the Board secretariat examined in all 168 schemes from 18 States and recommended to Government for approval and sanction 137 schemes from 18 States. Till the end of November 1953, the Government of India had approved 67 schemes from 11 States and sanctioned Rs. 215 lakhs as grants and as loans. They have at present under consideration 70 schemes from 14 States. The Board's secretariat has under examination 18 schemes. Seven Part B and C States have yet to send their schemes.

Co-operative Societies.—The main features of the schemes that have been sanctioned are the organization of weavers into co-operative societies by providing grants and loans for the working and share capitals of these societies, the provision of nearly a crore of rupees to be given as rebates on sales of handloom cloth through co-operative societies or Government Depots, the provision of mobile vans which will tour the rural areas as propaganda-cum-mobile sales depots, the opening of sales depots and emporia at several centres in the States, the supply of improved types of accessories to handloom weavers, etc.

The All-India Handloom Board is convinced that if a large majority of the unorganised handloom weavers is brought into the co-operative fold and adequate facilities are provided for marketing the cloth produced by them, it will not be difficult to ensure a reasonable living wage for the weavers. It is the hope of the Board that within the course of the next five years, it will be possible to bring within the co-operative fold a substantial number of the handloom weavers—to whom will be given the bulk of the amount earmarked for the development of the industry.

Marketing Schemes.—The All-India Handloom Board has obtained the sanction of the Government of India for the implementation of two important schemes to be administered by the Board itself, which will go a long way towards helping the handloom industry. The first is the internal marketing scheme. An organisation called the Central Marketing Organisation has already been set up with headquarters at Madras. This organisation will have branches at Madras, Bombay, Nagpur, Gwalior, Banaras and

Calcutta. The functions of this organisation and its branches will be to study and explore markets for handloom cloth, to keep the industry informed of the requirements of the consumer, to standardise production, to conduct publicity and propaganda and to correlate the activities of the States. The Board has also approved in principle a scheme for setting up an All-India Handloom Co-operative whose main function will be to improve the markets for handloom fabrics both within and outside the country.

The second scheme is the external marketing scheme. This scheme envisages the appointment of four Handloom Cloth Marketing Officers to be posted at Singapore, Rangoon, Colombo and Baghdad and to set up sales emporia in several foreign countries. These Officers will be mainly concerned with developing the existing markets and exploring fresh markets for Indian handloom cloth. The Officers have been selected already and are expected to be in position very soon.

Scope for Exports.—While the Board recognised that the solution to marketing is stimulation of demand within the country, it is convinced that, with proper organisation and propaganda, India should be able to export out of the country between 100 to 150 million yards of handloom cloth annually without difficulty. It is expected, for instance, that this year's export of handloom goods will be over 60 million yards. Up to the end of October 1953, 52.70 million yards valued at Rs. 8.3 crores have been exported and another 12 to 14 million are expected to have gone out by the end of the year. It is, therefore, not unreasonable to hope that exports will show marked improvement when the proposed machinery for improving external marketing of handloom fabrics gets down to work. With the organisation of weavers on proper lines and standardisation of the production of handloom fabrics at this end, the export drive is bound to be helped. Some of the countries in which Indian handloom fabrics were once popular have, quite naturally, been developing their own handloom industry with a view to providing subsidiary employment for their agricultural population. Our handloom industry, however, is based on skill acquired over hundreds of years and need not necessarily compete with the newer handloom industries developed elsewhere. There are also fresh markets which have to be explored.

The All-India Handloom Board is confident that the Indian Handloom Industry will, through organisation and technical improvement, take its rightful place in the country's economy.

ONE ALL INDIA CO-OPERATIVE ACT

HORACE PLUNKET FOR INDIA

By

C. M. GANDHI.

The First All-India Co-operative Congress was held in Bombay from the 25th to 27th February 1952. It is hoped that the Second All-India Co-operative Congress will meet soon. The Bombay Provincial Co-operative Institute has decided to celebrate the Golden Jubilee of the Co-operative Movement in March 1954, and one wonders as to whether it will not be more proper if the All-India Co-operative Union decides to hold the Second Co-operative Congress and celebrate the Golden Jubilee of the Movement sometime later.

The Union Government has already accepted the policy of a Co-operative Commonwealth and to strengthen co-operative societies of all types and to promote different types of societies which may be hereafter formed. Under the circumstances a general law of co-operation operating in the whole of India becomes desirable, nay even imperative.

The Revised Co-operative Act of 1912 (Act No. II of 1912) was published on 1st March, 1912, and barring certain States in India which have enacted their own Acts of co-operation, that Act still is the operating Act in the rest of India. It cannot be maintained by any show of justice that what was found to be good and expedient in the year 1912 when the Co-operative Movement was in its very infancy is good for co-operative activities at the end of the year 1953. The Act of 1912 has outlived its utility and a more comprehensive country-wide Act of co-operation is now needed for maintaining the co-operative movement in vigour and progress.

The next question of equal importance is as to who should draft the new Act. That it should be drafted to support the democratic character of the movement cannot be gainsaid. It is therefore necessary that the All-India Co-operative Union should appoint an influential committee of top ranking co-operators in the country to draft it after a detailed scrutiny of India Act No. II of 1912 and the other Provincial Acts enacted thereafter and their repercussions on the movement in the country. Such a draft Bill may be introduced in the House of the People as a non-official measure; but it would be better if the Government of

India can be induced to adopt it as its measure and pilot it through the House. As it is proposed to set up a committee of eminent co-operators to draft the new Act, it will be presumptuous on my part to make any detailed suggestions as to what it should contain. I, however, venture to make a few suggestions as regards its contents.

It should contain all necessary provisions generally applicable to all types of co-operative societies relating to the formation and registration thereof. Other rules which are applicable to any particular type of society should find a place only in the by-laws of that society. The Act should state the generally accepted principles of co-operation and all societies which are formed in accordance with the accepted co-operative principles, and with the provisions of the Act and the rules made thereunder should be registered as a matter of course; the Registrar having no discretion to refuse registration of societies so formed. The Act should further specifically define the powers that the Registrar has to exercise and the duties he has to discharge.

In the Bombay Act at present only two duties (1) the statutory duty of audit and the (2) duty to hold an inquiry into the constitution, working and financial condition of a society are compulsory on the Registrar, the later only if such an inquiry is requisitioned (a) by the society, in accordance with the rules made in this behalf, (b) on the application of the majority of the committee of the society and (c) on the application of 1/3 of the members of the society. It is strange that no such power is given to the central financing agency to compel the Registrar to hold an inquiry within a stated period though the central financing agency is the body most vitally concerned in the good management of a society. What happens now-a-days is that the Department does not take any notice of any application made by the central financing agency to hold an inquiry into the constitution, working and financial condition of its member society for months together. The financial condition of the society goes from bad to worse. It sometimes becomes absolutely bankrupt and the central financing agency is the only body to lose.

There is no mention of any other specific duty to be discharged by the Registrar in the Bombay Act. He has a large number of powers to exercise and his duties are to be implied from the exercise of those powers that he exercises. The Registrar has, besides the powers which he is authorised to exercise under the

Act, power to issue general and special orders. So is the Executive Government of the State. That means that both the Registrar and the Executive Government have been interfering in the day to day administration of the co-operative societies by their circulars or executive orders. The management of the societies therefore fail to take initiative and assume responsibility in matters which they consider essential for the development of their societies. I think now that the movement has been 50 years old, societies can be allowed to work their own salvation even at the risk of committing errors in some cases. Then and then only the co-operative movement will go into its own as a popular democratic movement.

The treatment of the subject of arbitration as given in India Act No. II of 1912 and in section 54 of the Bombay Act is outmoded and deserves to be wholly overhauled and revised. The procedural rules laid down under these two Acts may have been suitable at the times when they were made. The cases that came before the arbitrators at that time were mostly cases of claims due on money bonds or mortgage deeds and any literate persons with fairly good common-sense and worldly wisdom could easily decide the matters in dispute before them according to their common-sense, *i.e.*, decide in accordance with justice, equity and good conscience. The times and circumstances have considerably changed. Many large Multipurpose Societies, Trading Societies, Industrial Societies and Housing Societies have come into existence and disputes with regard to the affairs of these societies are considerably complicated and are governed by provisions of many statutory enactments. The disputes in those cases it is difficult to decide by what is understood by "justice equity and good conscience." Rules Nos. 32 to 35 of the Bombay Co-operative Societies Rules of 1927 lay down the procedure, while the added chapter on reference to the Tribunal under the Co-operative Societies Act provides for orders of adjournment by the Tribunal. Rule No. 33 under the Bombay Act authorises the Chairman of the Board of the Arbitrators to fix the date and place of hearing the dispute. It does not specifically provide for any power in the Chairman to adjourn the cases probably because it was then thought that the whole dispute would be heard and decided at one sitting. The arbitration proceedings under the Bombay Act are not now decided even at the end of 19 hearings though spread over not less than 9 months. The nominees appointed by the Registrar for deciding the disputes are hardly competent to decide the complicated questions which come before the Board

with regard to the disputes of the societies above-named. The disputes now cannot be decided under the vague rule of the thumb, namely equity, justice and good conscience. It is high time to consider whether the chapter on arbitration under the new Act should not be framed on the lines of the new arbitration Act of 1940.

Next to enacting an All-India Co-operative Act as stated above it is necessary to have an All-India Association somewhat on the lines of the Horace Plunket Foundation to observe from day to day how the movement proceeds in the country and to make suggestions as to how it should be regulated thereafter. The said Central Association should be established either in New Delhi or in another equally important centre. The Association shall have a paid full time competent and selfless servant of the co-operative movement as its Secretary. He should be given the necessary staff and it should be the duty of the Association to see that the co-operative movement in the country is carried on as a popular movement on true democratic lines. It should also be its duty to see that the popular movement is not interfered with in its work by the Department or by the Executive Government. For in my humble judgment it is not always right to believe that members in charge of co-operation of a popular Government shall necessarily carry it on true democratic lines. The Executive Government has always a leaning towards bureaucratic methods. Moreover a few of them only are strong enough to get out of the vicious circle in which they have to move.

A UNIQUE CO-OPERATIVE EXPERIMENT IN FORESTRY IN KANGRA DISTRICT (PUNJAB)

By

J. S. CHAWHAN, M.Sc., (AGRI.)

Assistant Registrar, Co-operative Societies, Dharmasala.

Forests occupy a very important place in the economy of Kangra District. The agricultural holdings are very small and productivity is much below the average, with the result, that agriculture is not able to maintain the population of the District. Pasturing of herds, and flocks of sheep, goats and cattle, has, therefore, remained, for long, as an important alternate occupation for keeping the body and soul together for a very substantial portion of the people of this district. This occupation, however, has not been followed without creating problems, the chief amongst which has been a slow but steady deterioration of the vegetation resulting in heavy soil-erosion and general reduction in the economic resources of the country-side. The problem went on becoming acute from day to day till it assumed proportions which could be ignored only at the peril of complete annihilation of the forest wealth of the District.

There were seven different kinds of forests, namely, the Reserve Forest, Unclassed Forest, the D. F. E., the U. P. F., the Delimited Forest, the Ben Muafi Forest and the Private Forest. Broadly speaking, these forests can be grouped into three categories, one in which both the land and the forests belong to the Government, second in which forests belong to Government but the land belongs to the people; and the third in which both the land and the forest belong to the people. The Reserve Forest falls in the first category, the next four forests in the second category and the last two in the third category.

Only 1,62,638 acres out of a total of 8,08,233 acres of forest land come under proper management of the Forest Department, while 6,45,575 acres i.e., 79.8 per cent of the forests were left to their own fate.

The problem of proper conservation of the whole forests, therefore, was far from satisfactory. The people looked with apathy towards the forests. Not only that. The growing political consciousness during this century gave rise to considerable unrest among people. It became extremely difficult for the Forest Department to discharge even its legitimate duties.

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A Forest Commission was appointed in 1937 by the Punjab Government to suggest as to how people could best be interested in the conservation of forests and made to co-operate with the Forest Department in the management of the forests. The Commission made an important recommendation of entrusting the management of unmanaged forests to the Village Panchayats, but this recommendation was also not found practicable. After a great hair-splitting, the onus of protecting the unmanaged forests fell on the co-operative societies and a scheme known as "Village Forest Societies Scheme" was sanctioned in February, 1940 for a period of 5 years. The Scheme succeeded and is working till to-day.

The Gospel of co-operation, thus, succeeded where all other measures, administrative and legal, had failed. This is really a matter of great tribute not only to those pioneering officials, who bore the brunt of starting the scheme amongst people who saw with scepticism and suspicion all measures of the Government, but also to the people themselves, who readily accepted the advice of their friends, philosophers and guides who by now had established sufficient confidence amongst them by extending to them the benefits of other forms of co-operation as well.

The societies are organised, supervised, inspected and audited by the Co-operative Department. A separate staff exists for this purpose. They are organised in accordance with not only the provisions of Co-operative Law, Rules and By-laws, but also of the Code of Procedure which has been prepared jointly by the Co-operative and the Forest Departments. According to this code, at least 75 per cent of the right-holders of a village or villages, where a society is to be organised must be enlisted as members. The prevention of erosion and denudation is the principal object of these societies. After the societies have been organised by the Co-operative Department, a report is sent to the D.F.O. who prepares their working plans. The cost of preparation of the working plan and original demarcation of the forest is borne by the Government. After the working plan has been prepared and approved by the majority of the prospective members of the societies, they are recommended to the Registrar, Co-operative Societies, for registration. On registration they carry out their working plans, for which purpose the D.F.O. acts as their technical adviser. They employ their own Forest Officers and Rakhas who wield powers under the Indian Forest Act to

arrest offenders and seize or confiscate forest produce. The societies are responsible for all protection and expenditure on works required for the conservation of forests.

From the financial point of view there are two types of societies, *viz.*, Paying Societies which get sufficient income from their forests to meet their expenses themselves and the Non-paying Societies the income of which is less than the expenditure they have to incur. The latter are financed by the Government, while the former are allowed to distribute their net profit after making allocation to various funds and contributing to the Government 10 per cent of their net profits for the maintenance of the inspecting staff, after 5 years of their existence. All the societies have to deposit in the Government Treasury first income accruing from sources in which the Government have proprietary rights and then draw Rs. 50,000 as Government grant-in-aid.

So far 71 societies have been registered which have 57,762 acres of forest land under their management. Both the quality and extent of forests have gained tremendously. Vast areas which were denuded and had not a blade of grass are covered with exuberant growth of vegetation. Where there was practically no income, very substantial income is obtained annually. In all an income of Rs 9.3 lakhs has, so far, been obtained from these forests, giving an average annual income of Rs. 85,000 as against Rs. 17,000 obtained previous to the organisation of societies. During 1951-52 alone Rs. 1,59,029 were obtained. While a portion of this income amounting to Rs. 3.4 lakhs has been allocated to various funds like Reserve Fund, Common Good Fund, Forest Improvement Fund etc., and distributed as dividend to members and non-members, the rest of the income has been spent on the improvement of forests and works of public welfare like construction and repairs of school building, 'sarai', water ponds, paths etc. contribution to the various Famine Funds, Red Cross, Gandhi National Memorial Fund etc. and distribution of medicines. A sum of Rs. 1,02,580 has been invested in the National Savings Certificates. About Rs. 42,070 have been paid as land revenue of all the khewatders.

Two of these societies are running primary schools for boys and girls and one society is running a Veterinary First aid centre and a Poultry-cum-Bee Farm besides a school. A number of

societies are maintaining stud bulls for the improvement of cattle breed.

In short, the societies have done commendable work and are a great boon to the people of this district. Their potentialities to render service are unfathomable. However, it is a matter of great regret that, for the time being, their further expansion is withheld due to insufficiency of Government Grant-in-aid. The matter is under the consideration of the Government and it is hoped that it will be decided upon soon.

CO-OPERATIVE BOTTLENECKS IN INDIA

By

MAHESH CHAND,

Allahabad University.

Between 1947-48 and 1950-51—the latest year for which figures are available—the number of co-operative societies—both agricultural and non-agricultural—increased from about 128 thousands to 178 thousands. The total membership of primary societies rose from 101 lakhs to 137 lakhs. Assuming five persons per family, about one-sixth of our population is represented in the co-operative movement. The working capital within the movement went up from Rs. 171 crores to Rs. 276 crores. The percentage increases under the three heads—viz., number, membership and working capital—respectively come to about 40, 36 and 60. This is an appreciable progress, but the working capital works out at less than Rs. 8 per head of the population and the loans advanced average Rs. 63 per member. These are small figures compared to the financial requirements of agricultural pursuits. The percentage of overdue to the outstanding loans in the agricultural credit societies has decreased from 37 per cent to 22 per cent but it cannot be claimed that this is due to co-operative progress and improvement.

During the period under reference the proportion of non-agricultural societies has decreased slightly but that of non-credit societies has increased slightly from about 2/7. The progress has been all-round but the position does not appear to be commensurate with the distribution of membership and working capital. Non-agricultural members are about 7/19th and the proportion of the working capital is over 3/5. With regard to the non-credit activities, the proportion of members and working capital is about 5/11 and 1/3 respectively. The non-agricultural credit societies advanced loans upto Rs. 47 crores as against Rs. 29 crores in the agricultural credit societies. In the field of non-credit, non-agricultural societies did a business of Rs. 101 crores as against Rs. 55 crores in the agricultural societies. We can, therefore, say that the non-agricultural societies are progressing faster.

India lives in rural areas and our economic progress is inextricably linked with the economic development of the rural areas. But while agricultural societies have a dearth of capital non-agricultural societies have an excess. The experience in the last two years for which even tentative figures are not yet available

have focussed attention on this feature of the co-operative movement and strengthened the feeling that the agricultural sector has not received the capital that it should.

Yet as pointed out by Dr. Nanavati, within this background there have to be discerned certain fundamental factors and features which deserve attention and which would make or mar the future of the movement. The individual and his primary society have been ignored. Our country is characterised by a great variety. We have famine areas and non-famine areas, areas with too much or too little rainfall, and dry and irrigated areas. Areas could also be divided by the land system, by uneconomic character of holdings or predominance of labourers. Then there are differences in outlook, customs and standards of living among people. And thrown in among them are societies with limited or unlimited liability, single purpose or multi-purpose, and for one village, a few villages or for a whole tehsil. These are expected to serve the needs of the cottage-worker, the labourer, the tenant, and the peasant-proprietor alike. However, an efficient system necessary for successful progress and development of the societies has not been built up.

Our co-operative movement has been mostly a credit movement. Co-operative credit is theoretically for men with character and not merely for men with property. But co-operative credit today is more for the credit-worthy and they ignore the problem how it can reach those who are not credit-worthy.

Besides, in the post-war and particularly the post-partition period the movement has been characterised by a rehabilitation bias. Really this rehabilitation bias has been with us since the depression of the thirties. Which therefore, is to predominate in the determination of our co-operative policy—credit or rehabilitation? And if the latter, as is clearly the tendency, is the structure suitable? Are the agencies and arrangements adequate? Can co-operation, with other agencies intended for liquidation of old debts, grant of production loans, land reform, be secured without any reorientation and additional measures?

One of us might take up the argument: True the growth of the co-operative movement has been haphazard, and lop-sided both with regard to functions and space. It is more advanced in Madras, Bombay and Punjab: But we have no time to bother about it. We must forge ahead. We must develop, increase and multiply co-operative activity. Consolidation shall follow of itself someday.

Even if one could agree with this, one can point to the immediate necessity for creating enthusiasm for the co-operative movement among the people. Although non-agricultural co-operation has been, as shown above, is progressing faster, the general decline of the consumers' co-operative movement in the urban areas is proving a great damper. The Registrar and his department either provide too much interference or are indifferent. The Co-operative Acts require a revision and so also the functions and actions of the Registrar. But in no case should this mean that the post of the Registrar may be abolished or merged with (say) that of a Development Commissioner. If that is done, as has been the tendency in certain States, it shall be a crushing blow to the movement. Political leaders should not close their eyes to this danger.

Enthusiasm for co-operation and efficient functioning of a co-operative society depended, and continues to depend on proper co-operative education and training. It has been particularly neglected. Of late there has been some progress. The Bombay Government established a training College for co-operators and with the influence of the Reserve Bank of India there has been started an All India Training Centre for departmental and non-official staff at Poona. There must be full-fledged co-operative colleges in the different States. The Standing Advisory Committee on Agricultural Credit recommended, at its recent third meeting, that a part of the expenditure needed to set up regional training centres should be met out of Rs. 10 lakhs provided in the Five Year Plan and our submission is that the State Governments can themselves undertake to run these colleges just as they run various other colleges. Co-operation is no doubt a subject taught in the post-graduate courses in economics and commerce but that study is not linked with practical experience. In Madras B. Com. Hons. Students are taken to different co-operative institutions and are taught about their working. Co-operation is also now one of the optional subjects for Associate Examination of the Institute of Bankers. But if the Government or the Co-operative Unions cannot start training institutes, let the Universities start diploma courses in Co-operation like the Nagpur University. But the candidates for the diploma must have a practical training as well, which can be arranged only when the provincial and local co-operative administration and institutions co-operate. Lack of co-operative education is a great drawback. No matter how forcefully the Planning Commission may

advocate co-operative enterprise in farming and the authorities register co-operative farming societies, co-operation in farming will not be successful, unless there is proper co-operative education.

Co-operative credit is not only inadequate, it is also dear. The credit needs were already great. They have become greater on account of the rehabilitation programmes. We have in the country a Reserve Bank and it could do a lot. It is a nationalised bank but it continues to maintain a conservative attitude, which is clearly evident from what the executive director of the Bank said at one of the meetings of the Standing Advisory Committee on Agricultural Credit :

"In the first place, there was the statutory provision on account of which the Reserve Bank could provide finance for seasonal agricultural operations through apex co-operative banks only (apart from commercial banks). In several States, no apex co-operative bank existed. The other difficulty was that, in several cases, there was no well-developed co-operative structure (even in States where apex banks were functioning) to canalise the funds lent by the Reserve Bank. Moreover, even in States which had apex banks as well as the necessary organisational structure, the Reserve Bank could provide only a part of the finance required for activities connected with agricultural production. Lastly, the co-operative organisation could reach its members only, and not those outside the organisation."

However, it must be added that in consequence of the recommendations of the Standing Advisory Committee the Reserve Bank of India has since taken a more progressive stand. The financial accommodation accorded to the State Banks under Section 17 of the Reserve Bank of India Act has been liberalised. With a view to establish closer co-ordination between the activities of co-operative institutions, and the policies and operations of the Reserve Bank, the latter has started a voluntary inspection of individual co-operative central banks, which borrow from it, through trained personnel in the Agricultural Credit Department. It may be hoped these inspections shall result in an enlargement of the utility of the central banks. Officers of the Agricultural Credit Department toured the different States and formulated proposals for the reorganisation and development of the movement. The implementation of the proposals is said to be in different stages of progress.

NEED FOR AGRICULTURAL CO-OPERATIVE INSURANCE

By

KALIPADA BHATTACHARJEE,*Secretary, West Bengal Provl. Co-op. Union***Economics of Co-operative Insurance.**

A co-operative insurance organisation like all other co-operative bodies, is a permanent institution and a business enterprise. Co-operative insurance involves the pooling of the savings of a considerable number of people so as to spread the risk in the common hazards of life. Co-operative Insurance system generally functions in the following manner :

1. Active control by policy-holders who are also the members.
2. Keeps overhead costs at the lowest figure consistent with good operations.
3. Return to policy-holders either as bonus or as reduction in premia.
4. Investment policy in the interest of the Co-operative Movement in general.

As the co-operative insurance society is a voluntary organisation with collectively owned funds to render assistance for the mutual good of the policy-holders, the insurance creates a sense of security which is the greatest benefit for the advancement of social and individual activities. It also helps saving at the same time enabling the man of small means to cover risks of agricultural and general character. The insurance system works for the best interest of the co-operative movement in general. It will be helpful to the agriculturist and homecraftsman and also to the urban dweller.

Agricultural Insurance in Western Countries.

Insurance in the field of agriculture generally includes insurance of crops, live-stock, against agricultural accidents and sickness, fire and hail and wind storms. In a number of Western countries, where agriculture is a dominant aspect of economic activity, attempts have been made to provide optional insurance risks to which agricultural industry is exposed with varying measures of success. In some countries the Government and local authorities take considerable interest in the promotion of agricultural insurance and support it with financial aid. Special help also is rendered to such institutions with the

object of decreasing the cost of insurance and bringing it within the financial means of agriculturists. Apart from agricultural insurance as such, special co-operative fishermen's insurance societies operate in Great Britain, Canada, Denmark, Norway and Spain for the insurance of fishing vessels. These societies transact business in accident, oldage pension and other branches of insurance. In some countries the Government itself directly assists such societies : by giving direct subsidies towards the initial expenses of establishment and other necessary facilities and in some by the Ministry of Agriculture taking very active interest in its promotion.

Co-operative insurance societies in the different countries, however, have not yet reached a development sufficiently high. But in the economy of the day, which is regulated by the State Governments in different countries, agricultural co-operative insurance activities are bound to play a prominent part in solving agricultural and rural problems of all kinds all over the world in course of time.

Need for Agricultural Insurance in India:

India has not yet organised many important branches of insurance activities on co-operative basis. In India agricultural insurance in different forms is by far the most urgent need. India is subject to frequent famines and periods of scarcity, against which crop insurance would be an excellent remedy. This has not yet been attempted by private insurance agencies. Neither will it be practicable for private insurers individually to undertake it. Why should not the State render assistance to the agricultural industry by helping the formation of such insurance societies? A wide co-operative insurance system only will be helpful to solve the problem of agricultural industry of the country. A central institution should be started first to organise local insurance societies and the Central Society should function as a reinsurance organisation to underwrite all classes of risk. The local societies should work on the following lines :

1. The society must limit itself to a small area with a population not exceeding 5,000 inhabitants; 2. annual premium and contributions must be fixed within the limits prescribed by the Ministry of Agriculture; 3. it must reinsure all risks with the Central Society; 4. Compensation must be given for a fixed percentage of loss only; and 5. the society should work with close collaboration of the local co-op. credit society and the central bank.

The method of reinsurance may be : 1. by transferring each risk in whole or in part separately ; 2. by covering a certain proportion of losses incurred during the given period and 3. by re-insuring all losses sustained over a certain sum.

There is great scope for agricultural insurance activities *viz.* fire, agricultural accident, property and such other risks and each State of Indian Union should have an agricultural and general co-operative insurance society. All State units should be federated in an All India Co-operative Reinsurance Union, in which all such societies should be represented and it would be a step forward in the direction for the establishment of a Co-operative Insurance system which will undertake all forms of agricultural and general insurance operations through the State Insurance Units.

A federal co-operative institution can undertake only reinsurance business keeping the independence and responsibility of State organisations. It will also help to maintain co-operative character and principle. Such a Federated Reinsurance Union if started in India to undertake reinsurance business in all its branches will be able to help for the promotion of business of agricultural and general insurance. The purpose of the Society will be mainly to help its member-societies to develop their activities. Such a reinsurance federation will be essentially helpful for the proper growth of co-operative insurance and also consolidate the operations of all forms of co-operative insurance activities.

The co-operative credit societies of Indian States may use in the most promising manner the facility of agricultural insurance to protect the borrowing members from all classes of agricultural accidents covered by the Insurance Policy. The credit societies will also be safeguarded from all risks as all investments will be covered by insurance. The rates of premium will be considerably lower, because the insurance will be booked through the credit societies and societies will collect premia at a very low cost.

A satisfactory system of agricultural insurance is particularly necessary to the smooth working of agricultural credit ; its creation and encouragement is therefore much to be desired. Should such systems be generally in existence, they would provide a wide measure of security for farmers, a high proportion of whose capital assets are often exposed to a number of risks.

RAMADAS CO-OP. TRAINING INSTITUTE, RAJAHMUNDRY A SHORT REVIEW OF WORK

The Ramadas Co-operative Training Institute, Ltd., was started in November 1929 by the veteran co-operators of East Godavary District under the guidance of the late Hon'ble Sri V. Ramadas Pantulu. The Institute was rightly named after Sri V. Ramadas Pantulu in recognition of his unsparing efforts for organising the Institute and his services to the Co-operative Movement in general. Dr. P. Gurumurthy was the first President of the Institute and he was mainly responsible for its proper growth in the first decade of its existence. In the beginning classes were conducted for the untrained employees of the co-operative institutions and some departmental staff also. The Institute was under peripatetic system till 1940. In 1941 the moffusil Institutes were made stationary and the Institute at Bezwada was amalgamated with this Institute. Sri Bikkani Venkataratnam Chowdary became the President of the Institute in 1941.

From July 1941 onwards the Madras Government agreed to give assistance in the form of free services of a Co-operative Sub-Registrar to work as Superintendent or cash subsidy equivalent to his cost if there was already a non-official Superintendent working in the Institute. The Institute conducted refresher classes for the employees of Co-operative Societies during 1942 and 1943 during the months of April, May and June and intensive training was given to Junior Inspectors selected and appointed in the Department during 1944.

Under the Reorganisation scheme of the Co-operative Institutions in the Province in 1944, the Institute was asked to conduct short-term training classes in the area of operations of the Institute for the panchayatdars and members of the societies between one Supervisors' session and another i.e., from April to June. Government gave assistance in the form of free services of a Co-operative Sub-Registrar to work as Superintendent and two Senior Inspectors to work as lecturers in the Institute. Similar classes were conducted during the years 1945 and 1946 and this scheme was later suspended.

From the year 1947 short-term courses are being conducted for the employees of non-credit institutions, during the interval between one session of the supervisors' course and another. During 1946-47, in addition to the supervisors' classes, training classes for demobilised soldiers in two classes for nine months and

three months respectively were conducted. For the conduct of these classes Government gave free services of two Senior Inspectors for nine months and one Senior Inspector for three months besides meeting the tuition fees of the trainees at Rs. 40 and Rs. 20 per head for each of the two classes of training respectively. Government also gave a cash subsidy of Rs. 1,000 towards contingencies etc., besides payment of stipends to the trainees at Rs. 35 each per mensem. The successful candidates in the long-term course were selected by the Service Commission as Junior Inspectors. During 1948-49, in addition to usual classes of supervisors, a special training class for Managers and Secretaries of non-credit societies for six months and a class for the Junior Inspectors selected by the Service Commission, besides the normal short-term course for the employees of non-credit institutions were conducted. Government assistance in the form of free services of a Co-operative Sub-Registrar and two Senior Inspector-lecturers were given to each class besides a clerk and a peon, and a cash subsidy of Rs. 500 for each class. During 1949-50, the short-term course for employees of non-credit societies, the class for Junior Inspectors were conducted in addition to the supervisor classes. Free services of a Co-operative Sub-Registrar and two Senior Inspectors were given in addition to cash subsidy of Rs. 500 for Junior Inspectors' class during the year. During 1950-51 the Institute conducted short-term course for the employees of weavers' societies and the regular supervisors' classes, but during the years 1951-52 and 1952-53 three courses one for the employees of the weavers' societies, one for supervisor-trainees and one for Junior Inspector-trainees were conducted, with the help of the special staff consisting of one Co-operative Sub-Registrar as Additional Superintendent and two Senior Inspectors as lecturers besides a clerk and a peon sanctioned by Government. A subsidy of Rs. 1,000 for each of the years was sanctioned to the Institute to meet incidental expenses.

A total of 2,194 candidates of whom 16 were girl students received training in the Institute from its inception.

The area of operations of the Institute extends to the 7 coastal districts of Andhra Desa and the eleven central banks in these districts are members of the Institute paying an annual contribution of Rs. 100 each per annum. The State Bank gives a subsidy of Rs. 500 per annum. The Institute made rapid progress during the past decade and built up surpluses to the tune of nearly Rs. 33,000. This progress of the Institute is nonetheless due to the efforts of its President Sri Bikkani Venkataratnam Chowdary.

REVIEWS

STATISTICAL STATEMENTS RELATING TO THE CO-OPERATIVE MOVEMENT IN INDIA FOR THE YEAR 1950-51 (*Reserve Bank of India, Bombay*) PP. 97; Rs. 3.

The statistical statements relating to the Co-operative Movement in India for the year 1950-51 issued by the Reserve Bank of India is a very useful and interesting report on the subject. It is prepared with great analysis and clarity. The statistical portion has been divided into three parts, the first part consists of general statements giving detailed statistics for different types of co-operative institutions in all constituent States of the Indian Union. In the second part, the important data contained in the general statements are given in the form of summary in the abstract tables. In the third part, the appendices give the data for earlier years. This is very useful for comparative study.

As the statistical data relate to all constituent States of the Indian Union, for the first time, we are having a complete all-India picture of the Co-operative Movement. Another useful aspect of this Report is that all the statistical data relate to the year ended 30th June 1951 which is the co-operative year and this has secured a uniformity as regards the statistical information and this enables a comparative study of the movement among the constituent States.

From this Report, we find that there has been an increase of 8,025 societies in all in 1950-51, i.e. there were 181,189 societies in 1950-51 as against 173,094 societies at the end of 1949-50. This registers an all-round progress of the Co-operative Movement in the Indian Union. The membership of the primary societies in the same period increased by 9 lakhs, i.e. the membership of primary societies at the end of 1950-51 was 13.7 million as against 12.6 million at the end of 1949-50. "Taking the average size of an Indian family as five," says the Report, "it may very roughly be estimated that 68.5 million or 19.1 per cent of the population was being served by the Co-operative Movement in 1950-51 as against 62.9 million or 18.2 per cent in 1949-50. Due allowance will have, however, to be made for some persons being members of more than one co-operative society". This statement errs on the side of caution. In our over-populated country, the average size of a family may be taken as 6, in which case, we will find that co-operation is serving 82.2 million or 23 per cent of the population of the country.

Though the total working capital of all types of societies shows a sizable increase from Rs. 233.10 crores at the end of 1949-50 to Rs. 275.8 crores on 30th June, 1951, the deposits had fallen from 44 per cent to 40.8 per cent of the working capital. This is not a healthy sign and this fall of 4 per cent was made up by accommodation from Government and from the Reserve Bank of India. The loans advanced by primary societies

show a marked increase, thanks to the accommodation obtained from Government and from the Reserve Bank of India. A very encouraging trend indicated by the Report is the declining tendency as regards the overdues, they being 11.7 per cent of outstandings at the end of 1950-51 as against 12.5 per cent and 12.6 per cent at the close of 1949-50 and 1948-49 respectively.

There has been a decrease in the number of agricultural credit societies both in Part B and C States. "Despite the fall in the number of societies," says the Report, "their membership rose by 3,86,362 to 51,58,907 for All India. Throughout the post-war years, there has been a continuous fall in the ratio of deposits to the working capital from 14.4 per cent in 1946-47 to 10 per cent in 1950-51." According to great co-operative authorities like Darling and Calvert, the strength of credit co-operation is to be measured only by the ratio of the deposits to working capital. The fall in the deposit ratio is rather disquieting. Further, the Report reveals that in some parts of the country, co-operation has not succeeded in reducing the interest. For instance, in Uttar Pradesh and Bihar, interest rates on co-operative loans are as high as 12½ per cent and even 15 per cent.

The abolition of Zamindaris and the execution of the Five Year Plan have thrown great responsibilities on the Co-operative Movement in India which means the movement needs sound organisation and working and an even distribution in all the States. But, a "study of the statistics in this publication shows that the Co-operative Movement is not evenly spread; nor is it of the same texture and quality everywhere. While the movement has made considerable progress in some of the Part 'A' States, it is inadequately developed in others and practically undeveloped in some of the 'B' and 'C' States. Indeed, out of a total of 1,15,462 primary agricultural credit societies in the country, Madras, Uttar Pradesh and Bombay alone account for as many as 52,422 nearly 45.4 per cent of the total. Consequently, the mobilisation of local resources or banking and credit services rendered by the co-operative sector are extremely uneven as between the different parts of the country".

Prof. N. S. MANI.

A PRIMER OF CO-OPERATIVE HOUSING—N. G. Ubhayaker, Secretary, the Bombay Co-operative Housing Federation Ltd., Published by the Bombay Co-operative Housing Federation Ltd., Bombay—pp. 116.

Co-operative Housing has received much attention in the postwar period both in Bombay and Madras; the number of Co-operative Housing Societies rapidly increased but the understanding, on the part of the members as well as the Office-bearers of the principles and methods of working of the Housing Societies was not always ideal. This Primer, as Shri V. L. Mehta points out in his Foreword, "is intended to facilitate the work of organisers who wish to educate members in their rights, duties and

responsibilities and in the principles which govern the working of Co-operative Housing projects".

The author starts with a brief description of the origin and problem of Housing and how Co-operation was introduced into this field of activity. The various sources of working capital viz., entrance fees, share capital, debentures, loan stock bonds, fixed deposits have been explained and the need for creation of such funds as Depreciation Fund, Renewal Fund and a Reserve Fund etc. was stressed; the various types of Housing Societies were briefly explained and an elaborate procedure for the calculation of monthly rents payable by members was also given in the same chapter. The procedure for the formation of a Housing Society, the various books to be maintained by it, its privileges, the procedure for election of office bearers, the rights and duties of members, the procedure on liquidation, have all been explained. A brief review of the progress of Housing Movement in Bombay is appended. A copy of the Model by laws of Housing Societies with 5 enclosures and 16 specimen forms for various books, registers etc. have also been included. Thus this book gives invaluable guidance to the organisers, members and staff of Housing Societies all over India. The Bombay Co-operative Housing Federation deserves to be congratulated for having brought out such a useful Primer on Co-operative Housing.

THE CO-OPERATIVE MOVEMENT IN THE BOMBAY STATE :—K. N. Naik.
Lecturer in Agricultural Economics, University of Bombay
Published by the Popular Book Depot, Bombay 7.—pp. xv +
281. Price Rs. 10-8-0.

This comprehensive study of the development of the Co-operative Movement in the Bombay State which is a thesis for the Ph. D. Degree of the University of Bombay is a welcome addition to the few such studies about the development of the Co-operative Movement in some other States in India. The Co-operative Movement in our country has developed to such an extent that separate studies may now be usefully undertaken for each State if not for each separate region in the State. In the cause of the development of the movement conditions peculiar to the State or the region require special consideration and modification of the procedures in the working of the societies. A careful study of such problems should be the basis for further planned development of the movement, especially in these days when co-operators are aspiring to play an effective part in the National Development Schemes.

Dr. Naik commences his study with an exposition of the significance of co-operative thought in the present day world, which probably is superfluous in a study of this nature. He next gives a bird's eye view of the development of the movement as a whole in the State dividing the whole period into six stages of development. He then proceeds to deal in detail with the various classes of societies. In the chapter on agricultural credit societies the part dealing with the geographical distribution of societies is of special

significance ; even though in the State as a whole about 12 per cent of the rural population is covered by the agricultural credit movement, the percentage varies between 28.5 in Dharwar District to about 5 in Ratnagiri District. The author rightly observes that one of the reasons for the inadequacy of co-operative finance is the system of fixing as a mechanical basis numerical limits to individual loans and urges that the problem of inadequacy of finance must be solved. Dr. Naik has also undertaken a survey of about 100 agricultural credit societies in Karnatak regarding the nature of membership, percentage of literacy amongst membership, secretarial salaries, occupations of members etc. which throws much light on the socio-economic structure of the membership. The treatment of multipurpose societies is all too brief and is confined only to the scope of working of some of the important societies. We wish the author had devoted much space and studied the problems and prospects of this important branch of the movement.

The chapters on Land Mortgage Banks and Central Financing Agencies give detailed description of the present position ; we wish the author had devoted more attention to a study of the peculiar position of the State Bank as the provincial Balancing Centre of finance at the same time as a District Bank and also as an institution in which the Government is a major shareholder.

The Urban Credit Societies have always been strong in Bombay and the author explains the various aspects of their working in detail in a separate chapter. Amongst the agricultural non-credit societies only Marketing Societies and Farming Societies have received adequate attention ; the Taluka Development Associations which are peculiar to Bombay should have been explained in greater detail. The progress and problems of Consumers' Stores, Housing Societies, Industrial Co-operative Societies have also been dealt with.

The short single chapter devoted to Co-operative Education, Administration and State-aid deals briefly with such important matters as Supervision, Inspection and Audit that come under the category of the statutory duties of the Department. Some suggestions for future development have been made in the concluding chapter.

Prof. C. N. Vakil has contributed a foreword to the treatise.

—S.V.S. SHARMA.



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Subscribed Share Capital	...	Rs.	3,58,480
Reserve Fund	...	"	48,607
Other Funds	...	"	3,84,614

No. of Members 1101.

PRESIDENT : Sjt. Shantilal C. Vekheria.

VICE-PRESIDENT : Sjt. Bhagwandas K. Lekhadia.

1. The Society has its own Dyeing, Bleaching and Finishing Plant on Co-operative basis to dye, bleach and finish Cotton and Art silk cloth manufactured by its members and other Weavers. This is the first Plant in Textile Industry in whole of Bombay State on Co-operative basis.
2. Supplies all demands of powerloom and Handloom weavers by importing raw materials such as Art silk, Raw Silk, Spun silk and Staple fibre yarn. Also supplies Cotton yarn.
3. Supplies Looms and other equipments to the Weavers.
4. Also deals in Dyes, Chemicals, Textile Machineries etc., etc.
5. Entertains any enquiry regarding the finished goods.

Sjt. MOHANLAL H. SHELAT,
Secretary.

The Madras State Co-operative Bank, Ltd.

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

Balance Sheet as on 30th June, 1953.

Liabilities.		Assets.	
	Rs.		Rs.
Capital	... 17,81,000	Cash	... 16,00,492
Reserves	... 55,74,849	Investment in Govt.	
Deposits & Borrowings.	8,85,70,513	Securities	... 2,13,73,149
Sundries	... 22,53,318	Other investments	... 25,99,607
Profit & Loss A/c.	... 5,77,937	Loans and Overdrafts	7,14,53,273
		Sundries	... 17,31,096
Total	... 9,87,57,617	Total	... 9,87,57,617

Analysis of Working.

	Years ending 30th June			
	1950	1951	1952	1953
	Rs.	Rs.	Rs.	Rs.
Paid up Capital	... 15,00,000	14,86,600	14,91,300	17,31,000
Reserves	... 50,04,278	51,50,610	53,71,137	55,74,849
Fixed, Current and other deposits	... 4,29,35,969	4,36,25,668	4,02,36,923	4,64,55,471
Net Profit	... 2,88,978	3,74,733	3,97,840	5,54,339
Amount transferred to Reserve Fund	... 1,00,000	1,00,000	1,00,000	1,87,000
Other Accounts	... 46,500	1,53,000	1,76,731	2,43,912
Dividend	... 1,34,820	1,04,178	1,34,066	1,47,025
Amount Carried Forward	... 43,977	36,555	23,598	...

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Phone : 85775

Post Box : 1459.

The South India
Co-operative Insurance Society, Ltd.

Head Office :—82-B, Mount Road,
Teynampet, P. O., Madras—18

SRI V. PARTHASARATHY, B.A., B.L., *Chairman.*

—
*An Ideal Co-operative Life Office
in South India*
—

Some facts about our progress:

	1950 (In lakhs) Rs.	1951 (In lakhs) Rs.	1952 (In lakhs) Rs.
New Business	89	92	73
Life Fund	77	83	107
Business in force	386	429	431

Latest Valuation as on 30-12-1952

BONUS declared at Rs. 12 and Rs. 10 per thousand
per annum on **Whole Life & Endowment Policies.**

V. VENKATACHALAM, M.A., B.L.,
Secretary
