

CO-OPERATION.

THE CO-OPERATIVE MOVEMENT.

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It is a great pleasure to me to come here this morning to inaugurate the 13th meeting of the Bombay Central Co-operative Conference. The movement is one with which I have very great sympathy, but before making any remarks about the movement as such, I should like to say a few words on the subject of co-operation, in its wider sense.

It is undoubtedly a fact that Co-operation is the basis of practically all useful endeavour—and this Co-operative movement has done more than anything else to give to the inhabitants of the towns and villages in the Presidency a real sense of responsibility, and has enabled them to realize how much they can do by self-reliance and mutual trust.

Co-operation is constructive and is progressive in every way. This movement has shown, more clearly perhaps than any other, the great results

* Speech at the opening of the Bombay Provincial Co-operative Conference.

which can be obtained by putting into the hands of those primarily interested in agriculture, the opportunity of assisting themselves and their fellow-men by accepting the responsibility of advancing money for essential agricultural purposes; and in few cases indeed have those in charge of Co-operative Village Societies found that the confidence they have placed in their fellow-villagers has been displaced.

I have on several occasions discussed the whole question with the Registrar, and I should like here to pay my tribute to the great services Mr. Madan is rendering to the movement. He has given me instances in which quite small villages have built up on their own initiative comparatively large reserves of money, available for assistance to the ryots of their village, by efforts entirely due to the personal enthusiasm and enterprise of one or two men in the village in whom their fellow-villagers have complete trust and confidence. There is a great deal in this—far more than would appear from the few words I have spoken. What seems to me to be wanted in this Presidency more than anything else is a feeling of self-reliance, self-confidence and a trust in others among the many instead of among the few. The Co-operative movement affords an opportunity to very many to bring into being those most essential attributes; and when, as is, I am glad to say, the case, the efforts of a few in the villages throughout the Presidency are so successful in proving that there does exist an initiative and sense of responsibility, this movement, even if it were unsuccessful, which it certainly is not, would have achieved much.

CREDITABLE ACHIEVEMENTS.

The Co-operative movement, which has now been in existence for some 20 years, has already to its credit very remarkable achievements. The results so far obtained are most encouraging, and I believe that the movement is now so popular that in many cases cultivators come forward themselves to join Co-operative Societies instead of waiting to be persuaded as was the case only a few years ago.

The Central Co-operative Institute, of which I am proud to be the President, has now reached the fourth year of its existence. It was clear that a movement which was expanding so rapidly required some central body to co-ordinate its activities, and I think you will agree with me that the Institute has already done much to justify its existence.

One of the most important questions which you will have to consider is that of the Co-operative Societies Bill which has been introduced into the Legislative Council. A very large number of amendments to the Bill have been proposed, and these will all have to come before the Select Committee. The delay which has taken place will probably be found to have been, in the end, of great advantage, for the Conference will now have an opportunity of discussing the provisions of the Bill, and the members of the Select Committee, whom, I am glad to find, you have invited to attend the Conference, will have an opportunity of ascertaining the views of representatives from all parts of the Presidency. I have every hope that, when the Bill again comes before the Council, it will be such as to satisfy all those who have the interests of the Co-operative movement at heart.

I do not wish to go into the detailed activities of the Co-operative movement in this Presidency. There is, however, one point which I should like to mention. When I was recently at Dharwar it was brought to my notice that the procedure for placing at the disposal of agriculturists money advances out of the Tagavi grant was unnecessarily cumbrous, and that the rate of interest which members had to pay was rather heavy. I am glad to say that the whole question has been carefully discussed by the Registrar and the Provincial Bank, and steps have now been taken not only to expedite the disposal of such applications, but also to reduce the rate of interest, so that members of Co-operative Societies will be charged no more than a non-member borrowing directly from Government.

A CAUTIOUS POLICY.

Reviewing, however, as shortly as I can, the progress made by the movement during recent years, I find that in the last 3 or 4 years a cautious policy has been followed, and I think rightly followed, aimed at the consolidation, and improvement of the existing Societies rather than at their multiplication. During the last year, for instance, the total number of Societies showed an increase of only 210. The number could easily have been considerably increased, but it was thought that our energies could more usefully be concentrated on arranging for better supervision of existing Societies, and removing the defects which had grown up rather than at organizing new Societies. Although the increase in the number of Societies was small, the number of members went up by 21,000 and what is really more satisfactory is that the working capital increased from 533 lakhs to 619 lakhs, showing an increase of 16 per cent. in one year. When we consider that only 5 years ago the working capital was barely two crores, the fact that it has trebled itself in spite of adverse circumstances during that short period would go to show that the movement has gained very much in public confidence. Another noteworthy feature about this working capital is that nearly 50 per cent. of it is the members' own. The working capital in the movement is, as I stated above, now about 6 crores and 19 lakhs. Out of this, it is true, a part, about a crore or crore and a half, advanced by Central Banks to Societies and distributed by them amongst their members, is counted twice over. I find, however, that, out of the 6½ crores, 2½ crores represent members' deposits, 75 lakhs their share capital, and 32 lakhs the reserve fund. This increase in the Societies' own capital is undoubtedly a source of considerable strength and stability to the movement, which aims at being eventually entirely self-reliant.

A SOURCE OF ANXIETY.

One discouraging feature of the working of agricultural societies in recent years has been the growth in overdues. It requires little thought to see that a movement which depends on credit and on the confidence which it inspires in the public, would suffer very seriously if members cannot repay their dues promptly and punctually. The continual growth in the percentage of arrears during recent years has, therefore, become a source of anxiety, although it must be noted that this percentage in our Presidency has always been very much smaller than the percentage prevalent in most of the other major provinces in this country. In 1922, the arrears amounted to 12 per cent. of the working capital. This increased to 18 per cent. in 1923. Special efforts were, however, made to check this upward tendency, and although

the last season was not favourable in several districts, the amount of overdues was reduced, and, with the favourable rains that we have had this year, it is hoped to reduce them still further. It is of course necessary, when the seasons are bad or unfavourable, to grant extensions, but the tendency in some of the societies to grant extensions wholesale, or to take no steps against recalcitrant members, must be checked if the movement is to grow on healthy lines.

With better supervision it is likely, almost certain, that not only will the overdues be considerably reduced, but the general tone and management of societies will improve. We have, in this Presidency, so far followed a policy of leaving the societies to themselves. So long as the societies follow their rules and bye-laws, there is little, if any, interference in their internal management from outside. Societies' accounts are audited every year by the Government Auditor. They may be visited occasionally by the Registrar or the Assistant Registrar or the Honorary Organizer. There are, however, several societies which do not receive any visit from any outsider, except the Auditor, during the course of the year. It is in these societies that very often slackness and deterioration set in. The question about arranging for supervision was, therefore, very carefully considered by a Committee appointed by this Conference, and acting on its recommendation, steps are being taken for the organization of Supervising Unions, which will appoint well-paid and well-trained Supervisors under the guidance of the Union Committee to inspect societies periodically. I attach very great importance to these measures, for I believe, and I am sure you will agree with me, that unless proper and regular supervision has been provided for, it will not be safe to go on increasing the number of societies, nor can we expect great progress in many of the existing ones. In our Presidency we have limited our official staff almost to the bare minimum required to carry out the duties required under the Act, and the best way, therefore, to provide for the supervision is to organize the societies themselves into Unions for the purpose, so that supervision will be internal, *i. e.*, by the societies themselves, and not from outside. I hope that the Institute and its Branches will pay special attention to the organization of such Supervising Unions during the current year.—Mysore Economic Journal, Vol. X, No. 12.

WITHOUT THESE, NO CO-OPERATION.

The man who knows what co-operation means thinks, talks, and acts co-operation every day of his life. He is always building up a greater confidence in co-operation among his friends and neighbours through support of every co-operative effort. He counsels patience when others only criticise. He offers suggestions in a spirit of sympathy when others merely denounce. He shows a desire to understand the difficulties of co-operation instead of being over critical about details. There can be no co-operation without these three—Patience, Sympathy, and Understanding.—Agricultural Gazette of N. S. W., Vol. XXXV, Part 10.