

IMPRESSIONS
OF THE
CO-OPERATIVE MOVEMENT IN
FRANCE AND ITALY

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GENERAL FOREWORD.

The scope of this report is merely to review the impressions derived of the salient features of Co-operation in France and Italy during a period of six weeks for which I was deputed by the Government of Bombay to study the movement. The period was of course too short for anything like a thorough study of the subject. In Italy especially, the complexities of the organization of the movement are so great, that my short stay could give me little more than a general impression. The period was, however, limited by conditions beyond the control of Government and was fixed in consultation with myself as the best and longest available under these conditions. I found, however, during my tour that there are so many lessons to be derived for the movement in India from the study of co-operation in both countries, and it is also a fact that the co-operative movements in France and Italy have been so insufficiently studied in the past, that I hope in the near future it may be possible again to depute an official of the Co-operative Department to make completer research into the progress and nature of co-operation in those countries.

The conditions created by the war put some peculiar difficulties in my way. During the period of the war co-operation like most other branches of public activity had in general suffered from causes inseparable from battle, devastation, and administrative strain ; in particular, it had been impossible to keep up the regular supply of statistics and of annual reports. Figures for the development of the movement after 1914 were usually not to be got, at any rate in an official manner. Those that I did obtain, I got frequently through the personal kindness of gentlemen holding an official or quasi-official position, but their accuracy cannot of course be officially guaranteed. On the other hand, the war in some directions served as a great stimulus to the progress of co-operation. In both France and Italy (unlike England where a mistaken policy alienated the sympathies of co-operators from

Government) the Consumers' Societies benefited largely from the conditions created by the war and from the support actively given by the respective Governments. In France in particular one result of the attention which the war directed to co-operation was a very great and sympathetic development of co-operative legislation. In Italy, on the other hand, the economic changes produced by the war have, to an extent which I at least am not able to gauge and which even Italian observers find difficult to estimate, altered the domestic and financial circumstances with which co-operation has to deal so largely, that the character of many Co-operative Institutions has in consequence been materially modified. But the influence of the great war on the progress and conditions of co-operation would form the subject of a separate study. So far the materials are not yet available. When they are, it should be possible to add an extremely interesting and suggestive chapter to the history of the movement in Europe.

The object I deliberately set before myself both in my inquiries and in my report was not to make a full study based on elaborate statistics of the movement as a whole. I had not the time, even if I had had the inclination, to follow the methods of a German scholar or the ability to emulate Mr. Cahill's exhaustive and monumental report on co-operation in Germany. I kept before myself two objects and two objects only. First I desired to achieve a practical end that, namely, of deriving from the developments in France and Italy lessons for the actual guidance of the movement in India or rather in the Bombay Presidency. I have disregarded those features which are common to all co-operation or are at least common to India with France and Italy. I discarded those points from which I saw no particular advantage to be gained either by way of example or of warning. Secondly I tried as far as possible to arrive at general principles and to comprehend and express the ideas underlying French and Italian co-operative legislation and administration. I have used statistics only as far as they were needed to elucidate a principle or to state the grounds on which it is raised. In a word I have, while studying co-operation in two Latin countries,

endeavoured as far as my abilities lay to pay them the compliment of endeavouring to deal with the subject according to French methods.

One of the main problems for Indian Co-operation is that of the extent to which State aid and with it State control are desirable or justifiable. Under the guidance of the austere purists of the movement, State aid has so far been theoretically rejected in India. Some have gone so far as to say that there should be neither State aid nor State control in co-operation. Some indeed, I believe, are actually under the impression, mistaking wishes for facts, that State aid at least does not exist in this country. As a matter of fact both State aid and State control do exist in Indian Co-operation to a very large extent. It is only true to say that State aid by way of loan has been abandoned for agricultural short-term credit. There are, however, very many amongst the co-operators of this country who express a preference in theory for the refusal of all State aid, at least by way of loan. The theory has in fact received such general acceptance that it was for instance very difficult to obtain the sanction of the Government of India to the grant of urgently necessary loans to Co-operative Building Societies, and I suppose it will again be difficult to obtain similar sanction to similar loans required by other branches of co-operation. I devoted particular attention to the question of State aid and State control, and I hope that my report may at least be of value in regard to the decision of questions turning on this subject. Through what I saw in France and Italy, I found myself compelled slowly to abandon the prepossession I had in favour of non-intervention. I found that in France the great results achieved by co-operation were achieved only because of State aid and with the help of State officials. I found that even in Italy, the most individualist and almost anarchic of countries, the Government had in the end been compelled by the actual force of circumstances to confess the truth of that State aid which they had so long denied. Where, however, I have considered that State aid was given or State control exercised unnecessarily or unwisely I have not hesitated to say so.

I cannot close this introduction without a reference to the great kindness shown me by Mr. Henry Wolff, the respected publicist and accepted leader on Co-operative Banking. I wish to lay particular emphasis on the gratitude I owe him in view of the fact that I have had occasion to differ considerably from the views which he has consistently taught. I owed a great deal to the personal discussions which he kindly allowed me to have with him before I left for France and Italy. I have, I hope, considered with care those arguments, especially in the matter of State aid, which owe so much of their weight to his name and reputation. I feel sure that he will regret what he cannot but consider a "falling away from grace" in much that my report contains. I can only say that I believe myself to have been forced to differ by the mere logic of facts, though of course it is also undeniable that the mere passage of time has caused, in a younger generation, a sharp reaction against those views of State non-intervention, which formed part of the political doctrine of the Liberalism of the Nineteenth Century.

I feel therefore all the more bound to state that, had it not been for Mr. Wolff, I could never have come into such free and friendly contact with co-operative leaders abroad as I was privileged to have. The many letters of introduction which he gave me were in fact invaluable and even the programme of my tour was almost entirely built upon his advice.

Further I should like to take this opportunity of expressing my great sense of obligation to the gentlemen on the staff of the British Embassy in Paris and in particular to Messrs. Addison and Graeme. Those gentlemen received me not only with courtesy but with friendship and spared no pains to see that I was put in touch with all French officials who could possibly be of help to me in my studies, and to ensure that I was properly accredited. The frank and willing assistance that I received from every French official, on whom I called, was undoubtedly due to the efforts made by the British Embassy.